

NEWS SUMMARY

GENERAL

BUSINESS

Nuclear sub theft plot

Three young Americans have been charged with plotting to steal a nuclear submarine, sell it and possibly destroy a U.S. city with a missile attack.

The FBI said the men planned to steal the submarine *Trepang* from its base at New London, Connecticut, by training a 12-man team to board the vessel, kill the crew—which numbers 107—and set off for the mid-Atlantic, where the *Trepang* would be sold to an undisclosed buyer.

In the process, an armed missile would be launched against New London, “as a diversionary measure.” The plot came to light when one of the alleged participants in an insurance salesman showed the details to an undercover FBI man.

Equities reverse two-day gains

● EQUITIES reversed their two-day advance, and the FT ordinary index closed 0.3 down at 504.3

● GILTS recorded marginal gains in long but shifts eased and the Government Securities Index fell 0.02 to 69.95.

● STERLING fell 5 points to \$1.9830 and its trade-weighted index was unchanged at 62.4 per cent. The dollar remained weak against other European currencies and its appreciation widened to 9.7 per cent (9.5).

● GOLD rose \$1 to \$223 1/2 in London.

● PLATINUM touched a new peak of \$159.40 on the free market and closed \$0.44 up at \$149.65.



Cabinet falls in Sweden

Swedish Prime Minister Thorbjörn Fälldin has resigned and the country's first non-socialist Government for 44 years was being dissolved after only two years in office. There has been increasing disunity in the tripartite coalition.

UK faces court

The UK will be taken to the European Court of Justice over its unilateral fisheries protection policy, according to Egon Callaghan, head of the BBC Commission's fisheries directorate. Back Page

Assad in Moscow

Syrian President Hafez Assad held talks with his Soviet counterpart Leonid Brezhnev in Moscow. They are believed to be formulating a common policy to counter the Camp David Middle East peace accord. Page 4

Probe clarified

Scotland Yard said it is not carrying out any "criminal inquiry into Liberal Party funds" though an investigation into homosexual assaults and misuse of funds at the National Liberal Club is continuing. The club and the party have no direct link.

Powell's attack

Enoch Powell, Ulster Unionist MP for Down South, attacked his former Conservative colleagues for failing to protest at the "humiliation of Britain" when James Callaghan went "to grovel" and ask for abolition of the Zambia's President Kaunda. Page 10

Nobel award

Jewish author Isaac Bashevis Singer has won the Nobel Prize for Literature for his writings on the fate of East European Jewry. He grew up in the Warsaw ghetto but emigrated to the U.S. before the Nazi holocaust.

Chapter ends

A chapter in Ulster's history ends this weekend when Betty Williams and Mairead Corrigan step down as leaders of the peace movement they founded 28 months ago.

Air born

A Laotian refugee gave birth to a daughter aboard an Air France jet as it passed over Mont Blanc. Mother and baby were "doing well" said the airline.

Briefly...

Woman who burned herself to death near Windsor was named as Pamela Evans Cooper, 54, a director of Fortnum and Mason.

Malcolm Allison, manager of Plymouth Argyle, was fined £200 in London for damaging a transport police detention room at Paddington Station.

Fahad Mihvi was committed for trial accused of killing EA Al Stewardess Irit Gidron and the attempted murder of another stewardess in London.

Companies

City of London businessmen are offering £1,000 reward to find missing schoolboy Mark Berkshire, whose parents work at Billingsgate.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Amal. Dist. Prods. 33 + 4	Anglo Amer. Corp. 378 + 8
Assoc. Fisheries 50 + 5	Anglo Util. Dev. 245 + 20
Biom 65 + 5	Bishopsgate Plat. 306 + 6
Brit. Commonwealth 305 + 5	CRU 435 + 30
Dixons Photographic 136 + 11	Northgate Expln. 432 + 13
EMI 1584 + 13	Westfield Mins. 327 + 13
Farnall Elect. 425 + 8	APV 227 - 6
Lykes (S.) 83 + 4	Beecham 456 - 8
May and Hassell 434 + 31	Brown (J.) 195 - 4
Midhurst White 265 + 13	Dawson Intl. 275 - 5
News Intl. 106 + 6	Ellis and Everard 1054 - 6
Parker Timber 64 + 3	GEC 327 - 9
Pawson (W. L.) 127 + 9	Hawker Siddeley 253 - 7
Vantona 245 + 20	ICL 334 - 10
Wolstenholme Brynne 245 + 20	Racal Electronics 384 - 10
Afrikaner Leasing 245 + 20	Tube Inv. 384 - 10
	Whitehouse (G.) 108 - 7

NEB prepares for £40m venture in office equipment

BY MAX WILKINSON

The National Enterprise Board is preparing to launch a major new venture in the office equipment industry at a cost of about £40m.

It has been given outline approval for setting up a new subsidiary which will be provided with about the same amount of funds as allocated to Immos, its new semiconductor company.

The office equipment company, is not, however, expected to take direct responsibility for production. It will sub-contract to a group of small companies in which the NEB has taken, or is planning, minority shareholdings.

The venture is aimed to stimulate the development of new products in an area now dominated by foreign multinational companies — including Philips, International Business Machines and Olivetti, and other Japanese and U.S. companies.

The NEB wants to develop small business machines and communications equipment based on the latest micro-electronics technology.

Its first line of attack on the market, worth several hundred million pounds in the UK, will be to develop a word processing system.

Approaches are also believed to have been made to Muirhead, the facsimile transmission company, and to Computer Technology Limited (CTL) which make the mini-computer.

Mr. Bob Finch, managing director of CTL, confirmed yesterday that he had been having regular talks with the NEB about possible co-operation in an office equipment venture, but he said no deal had been reached at present.

Australia plans to borrow \$800m in Tokyo

BY CHARLES SMITH

THE AUSTRALIAN Government is hoping to borrow a total of \$800m (£400m) in Tokyo during the next three months of the year in what would become one of the largest fund raising operations ever undertaken by a foreign government on the Tokyo capital market.

The \$800m package consists of three separate operations. They are on a yen-denominated bond issue valued at between ¥500m and ¥750m together with two syndicated borrowings valued at ¥350m to ¥400m each. The total amount is intended to satisfy Australia's external borrowing need for the fourth quarter.

There will probably be no borrowing operations of a comparable scale in the Euro-markets, or other international capital markets during this period.

In the July-September quarter the Australian Government was active in European money markets. In July it floated a Swiss franc bond issue worth 1,000 million francs (£110m). This was followed by a Netherlands issue, worth AS121m in August and a D-Mark AS1206m (net of repayments).

Another AS448m was borrowed in the first three months of the present financial year starting in July 1978.

Australia's financing needs coincide with a strong revival of interest in overseas yen lending by Japanese banks.

James Forth writes from Sydney: Australia's borrowing plan is part of a continuing programme to shore up the country's reserves and stave off a unilateral devaluation of the Australian dollar. The aim is to convince foreign investors that there will be no devaluation and thus encourage a resurgence of capital inflow.

Australia's balance of payments is under pressure, with the depressed state of major economies adversely affecting the exports of commodities such as coal and iron ore. Mr. Malcolm Fraser, the Prime Minister, warned recently that Australia could not count on any dramatic improvement in its trade position.

The latest loan is easily the largest single block of overseas borrowing by Australia.

Belgian borrowings, Page 26

EMI pre-tax profit down £38m

BY CHRISTINE MOIR

HEAVY LOSSES on medical scanners and halved profits in its music business cut EMI's pre-tax profits for the year to June 1978 to £26m — at the bottom end of the City's expectations.

However, the dividend has been maintained despite the fact that earnings of only 7.1p a share barely covered half the cost of total gross dividends of 14p.

Sir John Read, chairman, who visited last week that the figures would be bad, said yesterday that the board had decided to maintain the dividend "having carefully considered the prospects for the current year and bearing in mind retained earnings from previous years."

The news on the dividend created a temporary rally in the share price but the closing price of 156p — an 11p rise on the day — arose from unexpected good news from the U.S.

Johnson and Johnson, which yesterday made a map agreed bid for Technicare Corporation in the U.S., announced that it had reached agreement with EMI over worldwide licences under EMI's scanning patents. EMI invented the medical scanner, a diagnostic machine in which a mini-computer is harnessed to X-ray technology, during the early 1960s.

The company has been in litigation with Technicare for more than two years over patents on the scanners.

Now, Johnson has agreed what Sir John described yesterday as a "multi-million dollar out of court settlement" recognising EMI's patent rights.

Although the agreement is conditional on Johnson and Johnson's successful takeover of Technicare, the settlement is regarded as very significant for other litigation by EMI against General Electric and Pfizer, the two other big scanner makers.

Although he refused to quantify overall prospects before the annual meeting in two months' time, Sir John said that the scanners were expected to continue losing money for the first six months of the year and patent income was not expected to be significant.

However, he emphasised that for the first time, group results showed "a very profitable business over a five-year period."

The music division, which contributed profits of only £18.5m last year compared with £32.7m the year before, was hit by fierce competition among the leaders in the U.S. record market, Warners, CBS, EMI and Philips.

CONTENTS OF TODAY'S ISSUE

European news	2	Technical page	13	Intel. Companies	26-28
American news	3	Management page	17	Euro-markets	26
Overseas news	4	Arts page	19	Money and Exchanges	28
World trade news	4	Leader page	20	World markets	32
Home news—general	5, 6, 7	UK Companies	22-25	Farming, raw materials	33
—labour	13	Mining	24	UK stock market	34

FEATURES

NEB's new plans on the electronics front	20	Energy review: Ireland, hope on the Porcupine	26	nationalisation: wealth becomes a burden	33
Politics today: Blackpool, Labour's shape of things	21	Stockbrokers and the institutions	30	The South Africa scene: preparing the economy	4
Around Britain: doing battle with Welsh Gas	18			Schmidt faces tough electoral test in Hesse	2

APPOINTMENTS

21 Oct	22 Oct	23 Oct	24 Oct	25 Oct	26 Oct	27 Oct	28 Oct	29 Oct	30 Oct
Bank Holiday	Bank Holiday	Bank Holiday	Bank Holiday	Bank Holiday	Bank Holiday	Bank Holiday	Bank Holiday	Bank Holiday	Bank Holiday

LETTERS

21 Oct	22 Oct	23 Oct	24 Oct	25 Oct	26 Oct	27 Oct	28 Oct	29 Oct	30 Oct
Letters	Letters	Letters	Letters	Letters	Letters	Letters	Letters	Letters	Letters

Wholesale prices leap 0.9% in U.S.

By Jurek Martin

WASHINGTON, Oct. 5. WHOLESALE prices in the U.S. jumped by 0.9 per cent last month, the steepest increase since the spring and a matter of clear concern to the Carter Administration.

President Carter moved quickly today to demonstrate his awareness of inflationary problems and had the immediate satisfaction of seeing the House of Representatives uphold his veto of the \$10bn Public Works Bill on the grounds that it would contribute to escalating Government costs.

Although both the leaders of his own party and of the Republicans supported the attempt to override his veto, Mr. Carter prevailed in an important test of will when the House voted by only 223 to 190 to nullify the veto—33 votes short of the two-thirds majority needed to override the President.

Earlier today, he accompanied news of his veto with a brief note to each member of Congress.

Editorial comment, Page 20
Money markets, Page 28

which ran: "The Producers' Price Index for finished goods rose 0.9 per cent in September—an annual rate of 11.4 per cent. I urge you to help me control inflation and to set an example of leadership for the nation by supporting my veto of the Public Works Bill."

The major factor in the rise in wholesale prices was again food, which went up by 1.7 per cent last month, after falling 1.5 per cent in August. But non-food items also increased in price. This component of the index rose by 0.6 per cent compared with 0.4 per cent in August.

Just as disturbing was the fact that two other indices, which measure the price of goods at crude and intermediate stages of processing, both turned sharply upwards after dropping in the previous month.

The 0.9 per cent jump in the overall index—successor to the Wholesale Price Calculation—follows a 0.1 per cent fall in August, a more modest advance of 0.5 per cent in July and increases of 0.7 per cent in May and June.

The figures tend to refute the Administration's belief that the inflation rate has been abating from the double figure levels of earlier this year.

The senior Commerce Department economist acknowledged his surprise at the sudden leap in food prices, while his counterpart at the Labour Department observed that the September returns "cancel out the hope that things are getting any better."

Michael Blanden writes: The Continued on Back Page

Ford strike made official by TGWU

BY PHILIP RAWSTORNE AND CHRISTIAN TYLER

THE DIFFICULTIES facing the Government and union leaders in diffusing shop floor militancy this winter were highlighted yesterday by the decision of the Transport and General Workers' Union to declare the two-week Ford strike official.

It makes even more urgent the attempt to find a mutually acceptable compromise on Phase Four pay controls. The Government and union leaders start the search at their first meeting next Tuesday.

The transport workers' decision, taken at the Labour Party Conference in Blackpool, was a reminder that this week's quick repair of Government-union relations at the political level has yet to stand the test of mounting pressure against the 5 per cent pay limit.

The Prime Minister's last night conceded that he may be facing a winter of confrontation, but said there would be no departure from the 5 per cent unless the TUC could come up with an equally effective way of preventing inflation rising to double figures again.

However, no what the transport workers have thrown their considerable financial and organisational weight behind the Ford strike, Ministers are becoming resigned to the likelihood that the Ford strike will not be ended without the pay limit being breached.

Some are already calculating that a settlement of 6 or 7 per cent would be acceptable, provided any extra money beyond that was earned through a genuine productivity bargain. They expect to be able to suffer a defeat at Ford—as last year—without sacrificing the credibility of the whole strategy.

The justification could be that few other companies would be able to point to such good profits as Ford in mitigation of a breach.

Asked in a BBC television interview whether there was any room for a Government-union compromise, Mr. Callaghan said: "That depends. Not on the overall objective. It's nothing to do with 5 per cent but how you keep down inflation and prevent wage costs from increasing."

He repeated his warning to the party conference that, if inflation ran over 10 per cent, monetary and fiscal measures would be employed. "We shall use the other instruments, which I fear will be unpleasant."

The Government was not going to print the money to finance inflation. Spelling out the consequences of a clamp-down on the money supply, he said that the Government had no wish to see further unemployment.

"That is why I am pushing the trade unions as hard as I can over moderate wage claims. This would be far better than another

couple of hundred thousand out of work."

The big question hanging over the talks that start next Tuesday between Ministers and TUC leaders is whether—especially in the face of the transport workers' determination—there is a formula which the TUC could square with its anti-incomes policy resolution at Congress last month.

The Prime Minister made it clear last night that any redefinition of Phase Four would need to be narrowly drawn.

Mr. Moss Evans, general secretary of the transport workers and one of the six members of the TUC on the

Workers at Leyland Vehicles' Lancashire factories could get rises of 20 per cent in a pay and productivity deal agreed between unions and management. Back Page

Benn and BF nationalisation. Back Page; other Labour conference reports, Page 10; Politics Today, Page 21

National Economic Development Council, strongly hinted that there could be no acceptable compromise. But another TUC leader suggested that the TGWU could find itself out on a limb when it comes to the private discussions.

Mr. Evans said the TUC's policy was like that of the TGWU, and added: "I am not prepared to abdicate my responsibility by departing from a decision democratically arrived at."

The unanimous verdict of the union's finance and general purposes committee yesterday on the Ford dispute will cost the union £500,000 immediately—the decision is retrospective—and another £240,000 for every week that strike benefit is paid to its 38,000 members in the company. The union is not short of funds and could keep up payments for more than 10 weeks before it needs to borrow from the bank.

Other transport union members, such as drivers and dockers, and other unions, such as the railwaymen's will be called on to help if necessary.

Mr. Evans said.

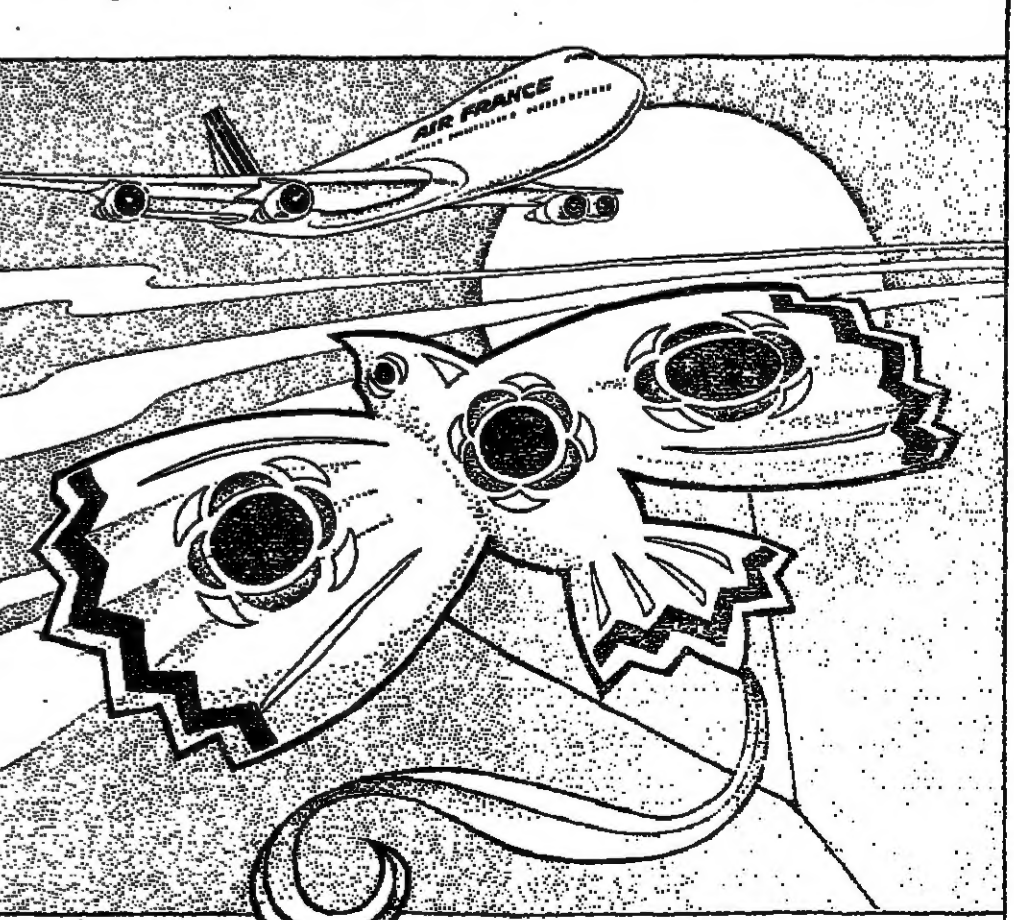
He denied that the strike of 57,000 manual workers at 22 plants in pursuit of a £20 increase and a 35-hour week was

Continued on Back Page

£ in New York

	Oct. 4	Previous
1 month	\$1,983.00	\$1,974.00
3 months	1,974.00	1,974.00
12 months	1,974.00	1,974.00

Fly Air France to the Orient



Ask your Travel Agent about flying Air France to the Far East. You'll be pleasantly surprised at the range of services.

For example, every week an Air France 747 flies to Ho Chi Minh City. No other European airline offers this service.

Every week an Air France 707 flies to Peking. And three times a week you can take an Air France 747 to Osaka—a flight that avoids all the delays and problems of changing aircraft or airport at Tokyo.

Other Air France eastern destinations include Bangkok, Bombay, Delhi, Hong Kong, Karachi, Manila and Tokyo. All flights depart from Roissy-Charles de Gaulle—the world's most advanced airport. There are regular and easy connecting flights from London. If you're flying east, fly Air France.

Contact Air France or your Travel Agent for further details.

AIR FRANCE

The best of France to all the world.

156 New Bond Street, London W1. Reservations 01-499 9511. Ticket Office and Passenger Sales Department 01-499 5541. UK Head Office and Administration 01-503 4411. Manchester Reservations 01-625 7201.

EUROPEAN NEWS

Portugal's socialists drop poll demands

BY JIMMY BURNS

LISBON, Oct. 5

SOME 10,000 jubilant Socialist Party supporters waved flags, chanted and cheered early this morning in the sombre galleries of Lisbon's sports pavilion in what the casual glimpse might have taken for their urban raucous on an as yet unannounced electoral campaign. Although the gathering claimed officially to commemorate the anniversary of the Portuguese Republic (born in 1910), it was more pointedly the first time that the Socialists had rallied round their leadership in public since the mid-1970s parliamentary rejection (proposed by Socialist deputies) defeated Sr. Alfredo Nobre de Costa's Government three weeks ago. But despite the massed jubilation, the Socialist Party leader Sr. Mario Soares appeared to go out of his way to offer an alternative to the polls.

Sr. Soares offered his formula for a solution to the present political impasse: that the President should appoint a new Prime Minister as soon as possible. The new Premier would neither have to be a Socialist nor to necessarily have to count on Socialist participation in his Government, but would nevertheless establish a new consensus between the President and the Portuguese Parliament. Such a solution, Sr. Soares said, was the most realistic in the present circumstances, and would avoid further inconsequential meetings between the President and political leaders. The parties, he added, had been forced in recent days into "issuing banal statements which give the Portuguese people the impression that they do not understand each other."

Such a compromising tone was not so readily adopted in August, when President Ramalho Eanes first attempted to find a solution to the political crisis brought on by the collapse of the six-month-old Socialist-Conservative alliance. Sr. Soares then declared in no uncertain terms that he was not any of his fellow party members were prepared to participate in a presidentially backed government unless this was led by a socialist. He stuck resolutely to a strict interpretation of the Portuguese Constitution, which states that a new Prime Minister should be appointed with due regard for electoral results. The Socialists, having won Portugal's last General Election with 38 per cent of the vote, argued that this necessarily implied them.

This morning, Dr. Soares, while still remaining critical of Sr. da Costa's caretaker Government, did not bark openly at the idea of another independent Prime Minister. This might make President Eanes's present task somewhat easier, given the virtual ruling out of a new inter-party agreement.

Significantly, Dr. Soares felt compelled today to state something which the Socialists found it hard to state back in August: that the President is undoubtedly democratic.

"The truth must be said... the President has shown respect for the political parties and for their dynamism and logic," he said.

Statements such as this suggest that Sr. Soares might have regained some of his old political skill, which was considerably tarnished during the break-up with the Conservatives. For the first time since the political crisis began, he has shown himself in public at least sensitive to the warnings of commentators outside his party, who are not necessarily against him: that the uncompromising stand adopted by the Socialist leadership in the summer seriously misjudged Portuguese public opinion, and in particular the popular support for President Eanes, and his candidacies' realistic and undogmatic opinions at a time of pressing economic problems.

Significantly, when Parliament voted on the rejection motion last month, it was Sr. da Costa and not the Socialists who were greeted with the loudest applause from the public galleries.

Yugoslav arrests

Two Austrians have been arrested in Yugoslavia on allegations that they engaged in espionage against Yugoslavia, the official news agency said yesterday, quoting reliable sources.

AP reports from Belgrade also indicate the arrests were made without providing further details, that they were backed by an intelligence service.

The vote will also determine the composition of the Bundestag, the Federal Upper House, and while few would doubt a conservative victory in Bavaria, the outcome of Hesse campaign is still unclear. For 33 years the Social Democrats have dominated Hesse—ruling either with an absolute majority or in coalition

Norwegian budget call for 'loyalty'

BY FAY GJESTER

OSLO, Oct. 5

ZERO GROWTH in private consumption next year and a minimal rise in public-sector spending are foreseen in the Norwegian Labour Government's budget for 1979, presented to the Storting (Parliament) today.

In his budget speech the Finance Minister, Mr. Per Kleppe, said that the Government's austerity policies called for "loyalty from all groups and a certain degree of sacrifice by many."

Despite the Government's tough measures, he said, unemployment was bound to rise (from the present level of about 1.3 per cent). The past few years had shown how dependent Norway's economy was on the rest of the world, and the Western industrial countries had not shaken off mass unemployment. There were 17m unemployed in the OECD countries and in Scandinavia alone unemployment this winter could reach about 800,000, he pointed out.

As a contribution to the 15-month prices and incomes freeze announced last month, the budget makes no increases in indirect taxes or charges for public services.

Direct taxes will rise by a total of about Nkr 270m (227m

as a result of increased social security contributions and tax concessions to low and medium-income families with children. Pensions will also rise.

Total expenditure is estimated at Nkr 67.7bn—0.3 per cent higher than in the revised budget for 1978, compared with an increase in expenditure of 18.3 per cent from 1977 to 1978. The lower rise reflects the prices and incomes freeze and last-minute austerity cuts in a number of sectors. In general the cuts will reduce planned investment spending more sharply than day-to-day spending on goods and services, since investments can more easily be postponed.

Total revenues are foreseen at Nkr 61.4bn—only 10.6 per cent up on the previous year, compared with a 17.7 per cent rise from 1977 to 1978. This is a deficit of Nkr 6.3bn—some Nkr 2bn less than in 1978.

The budget reflects the Government's concern at Norway's growing foreign debt, expected to reach almost Nkr 100bn by the end of this year. It aims at curbing imports by restricting domestic demand, and encouraging exports by holding down cost increases and thereby making Norwegian industry more competitive.

The Government will no longer encourage certain industries—sometimes with the help of subsidies—to retain employees they do not need. Instead it hopes to see greater mobility in the labour market.

Unemployment is expected to rise sharply in some areas and the budget includes a special allocation of Nkr 450m, to be spent on training schemes, job re-location, and special payments to companies which hire "difficult" categories of workers, such as the under-18s or those over 50 who have been unemployed for some time. The measures also to provide the equivalent of 15,000-20,000 extra jobs over 1979 as a whole.

The Government's budgetary forecasts for 1979, also tabled today, foresee gross national product "growth"—excluding oil and shipping—increased at only 0.5 per cent. Including oil and shipping, the GNP is expected to rise by 3.1 per cent from 1977 to 1978, but by only 1.8 per cent between 1978 and 1979.

This partly reflects the almost 100 per cent jump in oil and gas output this year to some 30m tonnes of oil equivalents. 1978 is the first full year in which both

the Frige and Ekofisk gas pipelines have been operational, and there has been no major accident like the 1977 Ekofisk blow-out to hit production.

From 1978 to 1979, petroleum output will rise less sharply, by about 33 per cent to 40m tonnes of oil equivalent.

The 1978 payments deficit is now forecast to reach only Nkr 12.6bn, against the estimate of Nkr 20.8bn in the revised 1978 budget. The improvement on the earlier forecast reflects an 8 per cent volume fall in traditional imports this year—partly as a result of austerity measures. At the same time, non-oil exports have risen by an estimated 1 per cent. For 1979, a payments deficit of Nkr 18bn is foreseen.

Reuter adds: Between December and February Norway will award seven of the 15 blocks allocated to the fourth round of North Sea oil concessions, a spokesman for the Ministry of Petroleum and Energy said.

Volve will be told this month whether it can share in the cost of the following its cars-for-oil deal with Norway, but the spokesman said the final award could be made only after Parliament had discussed the deal early next year.

Government's economic policies for which he held President Giscard personally responsible. The Government had not even achieved its aim of curbing inflation, which in spite of all the restrictive measures and taxes taken, was still running at 10 per cent year after year, he said.

At the same time, unemployment had reached record levels and the projected growth of GNP of 3.7 per cent this year, fell well short of the 4.5 per cent required to reduce the number of jobs.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Government's economic policies for which he held President Giscard personally responsible. The Government had not even achieved its aim of curbing inflation, which in spite of all the restrictive measures and taxes taken, was still running at 10 per cent year after year, he said.

At the same time, unemployment had reached record levels and the projected growth of GNP of 3.7 per cent this year, fell well short of the 4.5 per cent required to reduce the number of jobs.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Cyprus calls for UN sanctions on Turkey

The President of Cyprus, Mr. Spyros Kyprianou, yesterday proposed that the United Nations General Assembly hold a special session to review the failure of many states to implement Security Council resolutions, including those dealing with the Cyprus problem. Mr. Kyprianou also urged the Security Council to consider invoking mandatory sanctions against Turkey, which has refused to heed UN demands for the withdrawal of its troops from the island.

From 1978 to 1979, petroleum output will rise less sharply, by about 33 per cent to 40m tonnes of oil equivalent.

The 1978 payments deficit is now forecast to reach only Nkr 12.6bn, against the estimate of Nkr 20.8bn in the revised 1978 budget. The improvement on the earlier forecast reflects an 8 per cent volume fall in traditional imports this year—partly as a result of austerity measures. At the same time, non-oil exports have risen by an estimated 1 per cent. For 1979, a payments deficit of Nkr 18bn is foreseen.

Reuter adds: Between December and February Norway will award seven of the 15 blocks allocated to the fourth round of North Sea oil concessions, a spokesman for the Ministry of Petroleum and Energy said.

Volve will be told this month whether it can share in the cost of the following its cars-for-oil deal with Norway, but the spokesman said the final award could be made only after Parliament had discussed the deal early next year.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Undeterred by these strictures, M. Barre confirmed that the Government had no intention of modifying its policies. There were two ways of stimulating employment, he said. The authorities could revert to an inflationary policy which would have no more than a temporary effect on employment or it could help companies to invest and export as it was doing at the moment.

Italian ruling party moves to the right

BY PAUL BETTS

ROME Oct. 5

THE SELECTION of Sig. Carlo Donat Cattin, the Deputy Minister, as the Secretary-General of the Christian Democrat Party is the latest development in the disquiet but significant changes that have been taking place in the hierarchy of the long-ruling party.

Sig. Donat Cattin's nomination, which will replace a minor government reshuffle with the appointment of a new Deputy Minister, follows a series of other changes at the top of the party including the designation of Sig. Giovanni Galloni as party chief whip and of Sig. Flaminio Piccoli as the new Christian Democrat President.

These changes were largely the consequence of the murder in May of Sig. Aldo Moro, the party's late president. However,

they also indicate a closing of ranks by the party because of the possibility of an election early next year.

Until now, the Christian Democrat leadership revolved mainly around the party's reformist Secretary-General, Sig. Benigno Zaccagnini and his close collaborators selected from the left-of-centre factions of the party. The appointment of Sig. Piccoli, who has traditionally stood right of centre, and the selection of Sig. Donat Cattin, who lately has moved from the left to the right of centre, and has become one of the fiercest critics of the Communists, Italy's second largest party, represent the creation of a new balance between right and left wings of the party.

The sideways move of Sig. Galloni, one of Sig. Zaccagnini's close collaborators, from Deputy Secretary to Chief Whip is further evidence of these new trends aimed at giving the party, superficially at least, the appearance of unity.

New York Post plans Sunday edition

By Our Own Correspondent

NEW YORK, Oct. 5. AFTER AN ABSENCE of 56 days, a 128-page edition of the New York Post appeared on the newsstands this morning, bearing testimony to the success of publisher Mr. Rupert Murdoch's unilateral dash for a settlement of the pressmen's strike.

While Mr. Murdoch's rivals, the New York Times and the Daily News, were still searching for a negotiated settlement with pressmen's union leaders, New Yorkers were thumbing through one of the fastest editions of their afternoon tabloid newspaper to have appeared for a very long time.

Laden with 60 full pages of profitable advertising, today's edition appears to confirm expectations that the Post will enjoy an advertising windfall for as long as the Times and the News remain strike-bound.

All of the city's leading department stores start their traditional autumn sales next Monday and this is one of the heaviest newspaper advertising week-ends of the year.

Seeking to capitalise on his temporary monopoly (two of the substitute strike newspapers are continuing publication) it was learned today that Mr. Murdoch was helping to plan a Sunday edition of the Post, which normally publishes on only six days a week, and was therefore unavailable to answer questions.

About 1m copies of the newspaper were printed today and this may rise to 1.5m by the week-end.

Before the strike, the Post was selling about 645,000 a day and executives have every expectation of more than doubling this over the next few days.

Mr. Murdoch has promised to implement any settlement with the pressmen which is finally negotiated with the Times and the News whose officials are not disputing predictions that an agreement may yet be two weeks away.

Inco nickel threatened

SUDBURY, Ontario, Oct. 5. THE UNITED Steelworkers of America Union, on strike against Inco, has asked the Teamsters Union and the Seafarers International Union to stop handling Inco nickel shipments, Mr. Dave Patterson, local president, said.

No reply had yet been received from the unions, he added. A refusal to move nickel would halt nickel transfers to Inco customers, Reuters

Carter move threatens nuclear test ban talks

BY DAVID BUCHAN

WASHINGTON, Oct. 5.

IN A development that could stall negotiations with the Soviet Union and Britain for a comprehensive nuclear test ban treaty, the Carter Administration is reconsidering how long it would want such a test ban to last.

Earlier this year the U.S. proposed a five-year ban on all nuclear explosion tests. But pressure from the Defence Department and the Government's weapons design laboratories has since apparently persuaded the Administration that any test ban longer than three years would jeopardise the technological superiority of the U.S. nuclear deterrent. The fear of these groups is that the U.S. would be unduly restrained in making technological advances to offset the heavier Russian missiles.

U.S. arms control officials today denied that any decision had been made to go for a three-year ban, but said the desired duration of the test ban was still under debate in the Administration.

Mr. Andrei Gromyko, the Soviet Foreign Minister, in his speech to the UN General Assembly last week, said it was important to bring the test ban

talks to a successful conclusion and reprimanded the Soviet Union's negotiating partners, the U.S. and the U.K., for stalling.

U.S. officials today rejected accusations that the Administration was deliberately slowing the test ban talks in Geneva, so that any agreement banning all nuclear explosions, which might prove even more controversial than the proposed Strategic Arms Limitation Treaty, would reach Congress after a SALT agreement.

They said rather that the Geneva talks had been bogged down on the problem of how the test ban might be verified. Both the superpowers have agreed in principle to have "black box" monitors placed on their territory—an important concession by the Russians who have never before agreed to on-site verification.

But U.S. officials say there are still many technical details to be resolved. They also claim the Soviet Union has agreed to the test ban being of limited duration.

Up to now, the test ban talks seemed to be moving a little faster than the SALT negotiations. A big breakthrough came

last November when the Russians dropped two of their demands. These were that so-called "peaceful nuclear explosions" for non-military purposes be exempted from the ban, and that no agreement could be reached without participation of France and China.

The 1963 partial test ban treaty put a stop to Russian and American nuclear testing above ground, but allowed unlimited testing underground. Britain was a signatory at the time, but not to the 1974 threshold test ban treaty between the U.S. and the Soviet Union which put a ban on all underground nuclear tests above the level of 150 kilotons.

Meanwhile, a study issued last year on Soviet and American military trends into the 1980s concludes that the early part of the next decade will be a period of Soviet strategic nuclear superiority. The report by the Committee on the Present Danger, which draws together many of the opponents of the Administration's attempts to reach a SALT 2 agreement with Moscow, concludes that Mr. Carter's defence policies are inadequate to meet this threat.

U.S. urges Syrian restraint in Lebanon

By David Buchan

WASHINGTON, Oct. 5.

THE U.S. is urging Syria to use restraint, and Israel not to intervene in the renewed bitter fighting in Lebanon, Mr. Cyrus Vance, Secretary of State, said on television this morning.

Any clash between these two countries, the Administration fears, would not only vastly complicate the Lebanon situation, but also jeopardise the Camp David peace accords.

The U.S. has backed the call by France, currently in the chair of the UN Security Council, for an immediate ceasefire and separation of the Syrian troops in Lebanon from the Lebanese Christian militias.

Lebanon's situation within Syria is not great, though last week's decision by Congress to allow \$90m in economic aid to Syria is considered useful.

The State Department yesterday gave Saudi Arabia a public pat on the back for its efforts to urge restraint on President Assad of Syria.

State Department officials say no U.S.-made arms are reaching the Christian forces from Israel, and that the U.S. would strongly condemn any shipments of Israeli-made arms.

Mr. Vance, who today ruled out any kind of U.S. intervention, reiterated the Administration's previous call for an international conference on Lebanon.

Pinochet may visit China

By Robert Lindley

BUENOS AIRES, Oct. 5.

PRESIDENT Augusto Pinochet, of Chile, may visit China soon, Sr. Hernan Cubillos, Chile's Foreign Minister, has announced. Sr. Cubillos will lead an "advance guard mission" to China later this month.

While in China, Sr. Cubillos will invite Chairman Hua Kuo-Feng to visit Chile. It is not known whether Gen. Pinochet would go to China before or after any possible visit by Chairman Hua to Chile.

Relations between Chile and China deteriorated drastically with the coming to power in 1970 of President Salvador Allende.

Chile has an important market for its copper and iron in China, which in turn is reportedly interested in penetrating the Latin American market with its products through Chile.

American car sales dip but overall trend stays strong

BY JOHN WYLES

NEW YORK, Oct. 5.

U.S. CAR SALES dipped slightly last month but not enough to damage the prospect of a near record year for domestic and foreign manufacturers.

The continuing strength of consumer demand looks virtually certain to confound gloomy predictions made by industry experts at the start of the year of a significant fall from last year's total dealer sales of 11.179m cars.

However, the overall strength of sales, which points to 11.36m deliveries this year, masks the problems suffered by some makers and the significant achievements of others.

Chrysler Corporation, for example, which is looking to the Peugeot-Citroen purchase of its European operations to guarantee its survival through the 1980s, is having an increasingly tough struggle to maintain its grip on the American market.

Following a 20 per cent fall in its September car sales Chrysler has sold 8 per cent fewer cars this year than last and has seen its share of the U.S. produced car market fall from 13.8 per cent to around 12.6 per cent.

General Motors on the other hand is going from strength to strength. By introducing many of its new 1979 models early last month ahead of the domestic competition it pushed September sales up 6.7 per cent on the same month last year. In anticipation of continued strength GM is scheduling record fourth quarter production.

For by contrast suffered a 3.3 per cent sales decline although its sales to date are up 4 per cent on last year.

American Motors, the smallest

and most financially troubled of the U.S. companies enjoyed a good sales boost in September which will raise its hopes that 1978 sales will exceed last year's, thus halting several years of decline.

Overall U.S. manufacturers sold 659,229 units in September compared to 656,600 last year. Imports failed to maintain the sudden surge apparent in August when they reversed the trend of falling sales due to currency-induced price rises.

Market share for imports fell from 20.7 per cent to 20.4 per cent in September and sales from 171,300 to 169,000. The two leading importers, Toyota and Datsun, again suffered heavily. Toyota's sales fell by 10.2 per cent and Datsun's by 20.4 per cent.

Despite the rising yen Honda (up 18.3 per cent), Subaru (up 28.5 per cent) and Mazda (up 52.3 per cent) continued the sales gains which they have been making virtually all year.

Volkswagen, whose sales are still more than 18,000 down on last year, turned in its best year on year improvement for 1978 with a sales increase from 12,905 to 20,370. A sharp rise in sales of its diesel engine small car, the Rabbit, helped contribute to this gain. British Leyland's sales fell 41 per cent from 6,397 to 3,772.

Domestic flights of the two national airlines, the privately-owned Mexicana Airlines and the Government's Aeromexico, were cancelled and only 11 international flights by each will be allowed daily, the official said.

Mexican flights disrupted by strike

MEXICO CITY, Oct. 5.

FLIGHTS WERE severely disrupted throughout Mexico today when air traffic controllers walked out in a dispute over contracts.

Government employees stepped in to operate control towers at the nation's 46 airports to maintain international flight operations, but domestic flights were only 10 per cent of normal, a Government official said.

Airport operation hours will be from 9 am to 11 pm daily, an official said, and will be gradually increased "as the Government controllers gain experience."

He refused to predict when that would be and refused to identify himself by name because he said he was merely a spokesman for the new Union that replaces the Air Controllers Union.

Domestic flights of the two national airlines, the privately-owned Mexicana Airlines and the Government's Aeromexico, were cancelled and only 11 international flights by each will be allowed daily, the official said.

Trudeau party popularity sags

By Victor Mackie

OTTAWA, Oct. 5.

PRIME MINISTER Pierre Trudeau's Liberal Party is sagging in popularity, while the Conservatives are gaining, according to the latest public opinion poll.

Fifteen Federal by-elections are scheduled for October 16. A Gallup poll shows the Liberals dropped four points to 41 per cent public support in September, while the Tories have gained three points to 38 per cent.

Far East wins \$300m ship order

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

FAR EAST shipyards have won a contract worth more than \$300m to build 12 containerships for Sea-Land, the shipping subsidiary of R. J. Reynolds Industries of the U.S.

This is the biggest merchant ship order placed for some time and in spite of the problem of the appreciating yen, Japanese yards were able to offer prices comfortably below those of German shipbuilders, which were the only Europeans to bid.

Seven of the ships will be

built by Mitsubishi Heavy Industries, three by Mitsui Engineering, both of Japan, and two by Hyundai of South Korea. Apart from Germany, the only other country represented in final bids was Taiwan.

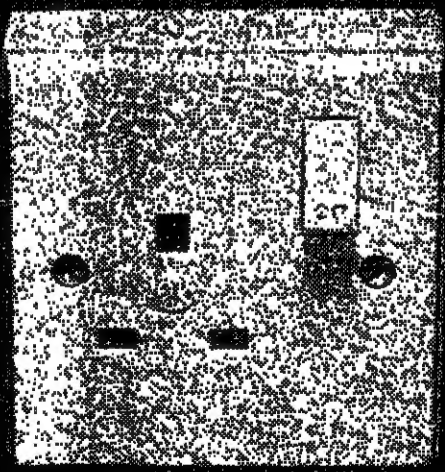
All the ships are for delivery in 1980—a relatively tight deadline, which probably explains why other European yards did not regard themselves as contenders.

Sea-Land said yesterday that the vessels, each of which has a

capacity of 839 40-ft containers, will be used in its round-the-world service.

They will replace existing tonnage, but because the new ships are larger, there will be some increase in capacity on the service. How much will depend on final decisions on which ships to withdraw.

The ships contract is part of a \$650m modernisation programme being undertaken by Sea-Land, involving replacement of ancillary and shore equipment.



If you've got one of these, you can install your own small computer.

At the moment you're probably relying on your telephone to keep you within arms reach of your accounts department, your stockroom, your salesman, your whatever.

But you may be surprised to learn that the 13-amp socket in your office could feed you with information far more efficiently than your telephone.

Simply because, when you use your telephone, you're at the mercy of the man at the other end.

Is he the right man? Has he got all the information you want? How quickly can he give it to you? How reliable is it? And can he give it to you in the form you need it?

On the other hand, take IBM's 5110 computer. It's no larger than an office desk, asks no more than a 13-amp socket to power it, and once programmed, isn't much more complicated to use than a typewriter.

Yet, at the touch of a button or two, you could check which warehouse items are out of stock or root out your unpaid accounts.

Even more remarkable is its price: just over £13,000. And we may even be able to help you finance it.

The 5110 should meet the needs of most small businesses. But if you have more sophisticated needs to meet, we've more sophisticated small computers to meet them with.

Each one can help sharpen your cash flow, enhance your customer service, and improve the efficiency of your business.

But obviously we can't start recommending the right computer for the job until we've listened to you and understood your needs.

May we suggest you slip the coupon into an envelope addressed to us.

And hang a reserved notice on your 13-amp socket.

I've listened to you. Now convince me I need an IBM small computer.

Name _____
Title _____
Company _____
Address _____

650 RT/1

Chris Conway, (GSD Marketing),
IBM United Kingdom Limited,
28 The Quadrant, Richmond,
Surrey TW9 1DW. Tel: 01-940 9545

IBM

OVERSEAS NEWS

Assad in Moscow for talks with Brezhnev

By David Satter

MOSCOW, Oct. 5

MR. HAFEZ ASSAD, the Syrian President, arrived in Moscow today and began immediate talks with Mr. Leonid Brezhnev, the Soviet Premier. It is believed that the two leaders will be working on a common strategy to counter the Camp David peace accord.

Mr. Assad was greeted at the airport by Mr. Brezhnev, Mr. Alexei Kossygin, the Soviet Premier, Mr. Andrei Gromyko, the Foreign Minister, and Mr. Dmitri Ustinov, the Defence Minister. His arrival was broadcast live through the Soviet Union and Eastern Europe.

This is Mr. Assad's second visit to the Soviet Union this year. After his first visit in February, the Soviets stepped up military assistance and Mr. Assad is expected to press for further expansion of military aid during his visit this time.

The Soviets share Syrian anger over the Camp David agreement and the Government newspaper *Izvestia* last night praised the "steadfastness of Damascus in the struggle against Israel."

Mr. Assad is expected to discuss the situation in the Lebanon where Syrian troops are locked in heavy fighting with Right-wing Christian militia as well as concrete plans to counter what the Soviets refer to as the "separate deal."

Isaac Hizi adds from Beirut: President Hafez Assad left Beirut with the tension in Lebanon unresolved and his troops halting the military militia in what informed sources here believe to be a decisive showdown.

President Assad returned to Damascus briefly yesterday after visiting East Germany. His Moscow trip was scheduled at last month's Damascus summit of the "steadfastness and confrontation front" aimed at scuttling the Camp David agreement.

There are two key issues in the Syrian-Soviet talks. Firstly, the desire by Syrian leaders to obtain more sophisticated weapons to counter Israel's military strength, particularly after the Egypt-Israel "framework" agreement reached at Camp David. Secondly, the possibility of Syria concluding a treaty of friendship and co-operation with the Soviet Union—something it has resisted hitherto.

Mr. Abdel Halim Khaddam, Syria's Foreign Minister who is accompanying Mr. Assad, hinted at an alliance with Moscow while the Camp David conference was in progress.

President Assad had no time to meet President Elias Sarkis of Lebanon, who for some weeks had been seeking meeting to consult urgently with the Syrian leader on new security arrangements to defuse the explosive situation in Lebanon.

Furthermore, Mr. Assad has given a categorical answer to the French proposal for ending the current fierce fighting in Beirut between Syrian troops and the Christian militia.

The rejection was interpreted here as reflecting Syrian determination to deal a crushing blow to the militia. Syria has been surrounded by Syrian troops at the north-eastern and eastern outskirts of Beirut.

Clashes raged for the third consecutive day with attempts by the militias to gain control of strategic bridges, thus making a roadhead. The bridges are vital for the Christian supply line to the enclave around Jounieh.

Israelis divided on reaction to worsening Lebanon crisis

BY DAVID LENNON

TEL AVIV, Oct. 5

THE FOREIGN MINISTER, today accused Syria of acting very negatively in Lebanon, but he did not think the fighting in Beirut would affect the peace negotiations between Israel and Egypt.

Israel has aided the Lebanese Christians with arms and by sending warplanes over Beirut. But it has not intervened directly in the fighting, despite earlier threats to stand idly by while the Syrians crush the Christian forces.

The Government's policy at present is to urge Western nations to act to end the battle. Defence and Foreign officials have hinted, however, that this policy might be changed.

The Israeli Government is divided over how to react to the Lebanese situation. Some are urging military intervention because they fear that the

destruction of the Christian forces in Beirut will lead to a collapse of Christian resistance in South Lebanon along the Israeli border. They are opposed by other Government figures who believe that Israeli military intervention in Lebanon will sabotage the broader Middle East peace efforts. They suspect that one of Syria's aims in stepping up the fighting is to drag Israel into a war which would be likely to reduce the prospects for a peace agreement between Israel and Egypt.

Mr. Yitzhak Rabin, the former Prime Minister, said he does not believe the Syrian offensive is designed to undermine the Camp David agreements, but is aimed at pressuring the Christians.

Mr. Rabin said that because of the dispersal of its forces, the Syrian Army was in no position to confront Israel.

Mr. Shimon Peres, the current Prime Minister, said he does not believe the Syrian offensive is designed to undermine the Camp David agreements, but is aimed at pressuring the Christians.

Mr. Rabin said that because of the dispersal of its forces, the Syrian Army was in no position to confront Israel.

Cool response to Sadat Cabinet

BY ROGER MATTHEWS

CAIRO, Oct. 5

PRESIDENT ANWAR SADAT told the newly-formed Egyptian Cabinet today that its major task would be to transform the economy.

He urged members to take the economic opportunities offered by the challenge of peace with Israel.

Mr. Sadat was chairing the first meeting of the 32-member Cabinet, only 11 members of which were in the previous Government. Public reaction to the reshuffle has been muted and in some quarters, almost indifferent.

There is little evidence of what Mr. Sadat promised would be "the October generation" and no significant lowering in the average age of the Cabinet, which remains in the mid-50s.

As if to remind the Government of the task it faces, the census figures released today show that the population has topped 40m, with an increase of 1.5m in 21 months. When the International Monetary Fund agreed to a \$720m extended facility to Egypt earlier this year it identified population increase as perhaps the single most critical problem facing the nation and urged immediate action.

The very size of the Cabinet will also work against what has been a long-sought solution in bureaucratic delay, divided departmental responsibilities, and a reluctance to take difficult decisions. While there is

wide agreement that Dr. Mustapha Khalil, the new Prime Minister, intelligent and a capable administrator, there is little indication that he has found any formula for achieving a streamlined, homogeneous team.

A main difficulty has been the reluctance of capable men to accept ministerial posts. Those who turned down offers cite the better financial opportunities available as a result of Egypt's non-aligned economic policy, and the reluctance of the President to delegate real authority to the Government.

It is also noticeable that two of the more capable men in the outgoing Cabinet, those at Education and Health, both elected not to continue.

Shah's opponent leaves exile

BY ANDREW WHITLEY

TEHRAN, Oct. 5

THE SHAH of Iran's leading opponent, the exiled religious leader Ayatollah Khomeini, is leaving Iran, his place of refuge for the past 15 years.

His destination is expected to be Syria where the large Shi'ite Muslim community could provide support and a natural base from which to continue his campaign to overthrow the Iranian monarch.

In Iran itself, the western city of Kermanshah remains tense following four days of violent disturbances that began with last Sunday's nationwide strike in protest against restrictions imposed on Khomeini by the Iranian authorities. Fourteen people are reported to have died

in Kermanshah, on unofficial estimates. Until now western Iran has remained relatively trouble-free. Most of its towns and cities escaped martial law. But with the new government of Prime Minister Jafar Sharif-Emami concentrating on tackling the tidal wave of pay strikes now sweeping throughout the public sector, the Kermanshah troubles have served as a reminder that the threat to the Shah from the streets is still there.

Ayatollah Khomeini's move began yesterday with an attempt to cross from Iran into neighbouring Kuwait. But the 68-year-old religious freedom, who commands considerable support within Iran, especially among the

urban poor and young people, was refused entry by the Kuwaiti authorities.

According to Iranian disident sources, he then refused to return to Iran, but eventually spent the night in the port city of Basra.

In the town of Qazvin, west of Tehran, the martial law authorities today announced the discovery of an arms cache and what was described as huge piles of Communist tapes and leaflets.

The government today announced the release of another 36 "security prisoners," bringing the total released in the past month to over 300. It is not known how many others are still in detention.

Gandhi to fight in by-election

NEW DELHI, Oct. 5

FORMER INDIAN Premier Indira Gandhi, who has been without a parliamentary seat for year and a half, announced today she would contest a by-election in the South Indian state of Karnataka.

The election is due to be held on June 10. Mrs. Gandhi is expected to file her nomination paper tomorrow.

British A-bomb legacy

BY LAURIE OAKES

CANBERRA, Oct. 5

THE AUSTRALIAN Government has been seriously embarrassed by the leaking of a Cabinet submission dealing with dangers posed by plutonium waste from British atom bomb tests at Maralinga in South Australia.

Mr. James Killen, the Minister of Defence, was forced to confirm tonight that there is a discrete mass of about half a kilo-gram of plutonium buried near the air strip at the former bomb test site which could be of

interest to potential terrorists. He said that, because the highly classified Cabinet submission had been leaked to the Australian Financial Review newspaper in "a criminal act," security measures at Maralinga had today been substantially increased.

The Cabinet submission said that 20 kilograms of plutonium had been buried at Maralinga after the British nuclear weapons tests in the 1950s.

1978, but with the surplus being gradually eroded, and turning into deficit in the latter half of 1979. Dr. Chris Van Wyk, the general manager of Trust Bank, recently forecast next year's overall surplus at \$280m (\$280m).

Given a long-term capital outflow of an expected \$250m in the current year, and no further inflow in 1979, while there would be a continuing drain of \$600m of short-term capital in 1978 and \$250m in 1979, this would allow net reserves to rise by \$200m in the present year, and only \$180m next year.

There is a growing fear in the business community that the caution of the authorities could be met with a renewed international recession next year—thus threatening to deny South Africa more than a temporary lull in a pattern of long-term decline.

Meanwhile, black unemployment is likely to increase inordinately as long as the economy is incapable of sustaining growth rates of more than 5 per cent. The need to equip the economy to resist sanctions means pressing ahead with projects which would otherwise be considered uneconomic, and which generally are capital rather than labour-intensive, such as the oil-refining plant and the planned uranium enrichment plant. This in turn is likely to make South Africa's situation, by devoting scarce capital resources to capital-intensive projects.

Given the monetary constraints posed by the balance of payments, the balance of trade, and the balance of the economy, the balance of the economy is likely to come from fiscal measures. At the same time, there is growing speculation about possible action to make South Africa more attractive for foreign investors.

In counteracting the continuing political uncertainty, but as the economic options are limited, a political solution, both internal and external, becomes more urgent.

China mines mission in Australia

By Laurie Oakes

CANBERRA, Oct. 5

THE CHINESE Vice-Minister for Metallurgical Industries, Mr. Hsu Chih, arrived in Canberra today at the start of a visit which the Government hopes will lead to the export of Australian Mining and Mineral Processing Technology to China.

The Deputy Prime Minister and Minister for Trade and Resources, Mr. Douglas Anthony, in a statement welcoming Mr. Hsu, pointed out that a particularly important part of the responsibilities of the Chinese Ministry of Metallurgical Industries at present is the implementation of the Chinese national plan for the upgrading of mining and mineral processing technology.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

Australian trade officials have been optimistic about the prospects of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August. During the visit, the Chinese asked for a study of the possibilities of exporting mining technology to China since the visit to China by the British Trade Secretary, Mr. Edmund Dell, in August.

Mr. Hsu will be in Australia for three weeks. In a bid to improve links with Australian technology, the Government has arranged for him to see a wide cross-section of the Australian mining and mineral processing industry.

IATA chief criticises American airline policy

BY LORNE EARLING

ORLANDO, Florida, Oct. 5

UNITED STATES policy on airlines was sharply criticised yesterday by Mr. Kout Hammarskjöld, Director-General of the International Air Transport Association, who warned that it could shatter the present rules and bring aviation nations into direct confrontation.

His concern was primarily over the effects of U.S. free competition policy on the international airline structure, which he said was being forced to change in deference to American deregulation of airlines.

"Within the international community, there is deep concern at the way the U.S. is seeking to change aviation procedures," he said, speaking here at the International Chamber of Commerce Congress.

The U.S. Civil Aeronautics Board was he claimed, imposing unilateral tariff rules on European routes, its own baggage rules throughout the world and its currency rules on many foreign nations.

There had been no multi-lateral discussion on the new policy, and consensus and compromise were being abandoned without taking into account the views of other nations.

Mr. Hammarskjöld added that during the regulatory debate there had been little discussion on side effects such as congested airports, jammed access roads and passengers waiting for hours for Customs and Immigration clearance.

All the greatly publicised upheaval on the North Atlantic route had produced only average growth. Markets had been distorted but little new traffic generated.

A lot of confusion and uncertainty has resulted, leaving the industry in a fragile equilibrium that can easily be thrown out of balance by a slight downturn in economic activity," Mr. Hammarskjöld warned.

It should be recognised by the U.S., he said, that many of the world's airlines are regarded as far more than just commercial concerns. They had a much wider brief, encompassing national socio-economic policies. They were regarded by their governments as part of the international trading system.

"To the final analysis, their product will be dealt with like any other traded commodity, he said. Unless these facts of life in international aviation trade are recognised, a collision course seems unavoidable."

It was also ironic, he suggested, that following U.S. deregulation, there was an unprecedented increase in Government involvement in air transportation, with endless rounds of bilateral negotiations taking place (20 in the U.S. alone).

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

There was almost a naive expectation that if unilateral price negotiations were thrown out of the window, governments would let the market fill the vacuum. In effect, the vacuum was being filled by an extension of the sovereignty of the U.S. Civil Aeronautics Board.

HOME NEWS

Pye deal could be worth over £100m

BY JOHN LLOYD

PYE HAS been awarded a design and development contract for a new communications system aimed at the small and medium business market.

The initial contract is thought to be worth around £500,000, but the market for the system, once developed, will be over £100m.

The project, known as the Small Business System, will be designed to meet a variety of needs within one system, which can be expanded as the customer's requirements grow. Modular design will be based on the addition or subtraction of circuits, and the system is built

Digital type

The system is fully electronic, and is of the advanced, digital type, which is both faster and more flexible than the present analogue equipment.

Facilities available include: hold and automatic transfer of

calls; conference calls; call diversion with secretarial override and direct station selection. Pye says that "a very substantial annual requirement" is wanted by the Post Office, and that export markets could also be extensive.

The system is based on Pye's design of microprocessors, using MOS-LSI (metal oxide silicon—large-scale integration) technology. Trial models for Post Office evaluation are scheduled for delivery early in 1979, and the development contract is concluded at the end of that year.

Oil pollution disaster simulated

FINANCIAL TIMES REPORTER

THE ROYAL NAVY and the Department of Trade yesterday simulated a new Amoco Cadiz disaster—with the "explosion" of a damaged supertanker off Berry Head, near Torquay.

The exercise—named Janplan V—was planned before the Liberator-registered, American-owned oil tanker was grounded off the French coast last March. Yesterday the Royal Fleet auxiliary Pearl, took the role of a 250,000-ton supertanker nicknamed Oily Pool in the exercise.

The exercise was based on a collision between the supertanker and a liquid petroleum gas carrier north of the Channel Islands, in which the LPG ship sank or exploded.

The supertanker made her way to Lyme Bay, Dorset, to offload some of her oil, and then anchored off Berry Head. Shortly after 9 am she "exploded", pumping out 20,000 tons of oil, according to the exercise plan, with pollution of the coastline stretching from Torquay to a point 10 miles from Exmouth.

Renewed call for ban on shop sales of fireworks

BY MAURICE SAMUELSON

AS BRITAIN'S shops stock up with an estimated 150m fireworks, there has been a new call for a complete ban on shop sales.

The National Campaign for Firework Reform said yesterday that fireworks should only be available from gunshops and other restricted outlets and that they should be sold only to licensed people aged 18 and over.

The call was prompted by last year's 62 per cent increase in street injuries caused by fireworks.

Mr. Noel Tobin, the campaign's director, said 733 children aged between five and 12 had been taken to hospital. This had shown the inadequacy of legislation passed two years ago, raising the purchase age from 13 to 16 and setting fines of up to £200 for selling fireworks to under-16s and discharging them in the street.

He attributed Britain's injury rate to the fact that UK fireworks legislation was the weakest in the world. Mr. Derrick Worthington, president of the Fireworks Manufacturers' Guild, challenged Mr. Tobin's interpretation of the injury figures.

Mr. Worthington also emphasised the safety measures taken by the industry. Since 1974, production of "bangers" had been halved, squib-type fireworks were "nearly extinct" and small fireworks could no longer be sold loose.

As a result, about 80 per cent were sold in packages. It was also understood that shopkeepers would not sell fireworks until three weeks before Guy Fawkes night.

Mr. Tobin remained sceptical, however, suggesting that manufacturers had amassed a stockpile of bangers and doubting whether they would adhere to the three weeks arrangement.

Mr. Tobin as the manufacturers agree however that there has been a marked growth in organised fireworks displays. In the past two years, Pains-Wesssex and Brooks have switched over entirely to the display market and dropped out of retail supply.

Hailing this as a big step towards greater safety, Mr. Tobin regretted that his other major manufacturers, led by Standard Fireworks, of which Mr. Worthington is managing director, have not all followed suit.

Institution formed for technicians

Financial Times Reporter

A NEW independent institution for Britain's estimated 100,000 technician engineers and technicians was launched yesterday with the aim of providing professional recognition for people employed in industry and the public service.

Called the Institution of Technician Engineers in Mechanical Engineering, and backed by the Institution of Mechanical Engineers, it hopes to raise the status of qualified technicians by laying down standards.

The minimum qualifications will be the existing Higher National Certificate and the Higher National Diploma. Both ceased to be recognised by IME eight years ago when it placed a university-degree level as its minimum qualification.

The idea for a new institution followed a survey of 70 companies and organisations throughout Britain which suggested that nearly 24,000 technician engineers and technicians in mechanical engineering would be interested in joining such a body.

In the next six years the institution hopes to have about 10,000 members and to have repaid a loan from IME, estimated to be in five figures. The institution will be run by a 21-member council of technician engineers representing seven regions. Its president is Mr. Paul Fletcher, former president of IME, and its chairman Mr. Stephen Cowling from Perkins Engines.

European money system vital for UK—Jenkins

FINANCIAL TIMES REPORTER

MR. ROY JENKINS, president of the European Commission, warned last night that it would be a major error if Britain did not participate fully in the planned European monetary system, due to be adopted in the New Year.

Mr. Jenkins was not a full partner in the enterprise, a country would be left "in the continuing limbo of second-class status," he told the Manchester Chamber of Commerce and Industry.

A day earlier the Labour Party Conference had called overwhelmingly on the Government to have nothing to do with the new scheme for linking the exchange rates of EEC and other European currencies. Mr. Jenkins said the proposed scheme could provide the overall economic environment in which those concerned with industrial and commercial policy, and the move towards investment, will be able to operate more effectively.

The Commission would make the last decision whether the proposals were really necessary, and whether the Community stability could do the job better than enable them to take the longer member States.

Airline places order for two more 747s

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS has ordered two more Boeing 747 Jumbo jet airliners, worth about £70m, including spares, using a higher-thrust version of the Rolls-Royce RB-211 engine.

The two aircraft will be delivered in the spring of 1980, and will bring the airline's fleet of long-range Rolls-Royce-powered 747s to 10 aircraft. Further purchases of 747s are envisaged, and the airline expects by the mid-1980s to have as many as 40 Jumbo jets in its fleet.

The latest version of the RB-211 engine which the airline is buying is the 524C, with a take-off thrust of 51,500 lb,

compared with the 50,000 lb thrust of the existing RB-211s in service. This greater power will enable the airline to operate its Jumbo jets at a higher maximum all-up weight of 820,000 lb, giving greater range and higher payloads.

Further and more powerful versions of the RB-211 engine are under development, including the 524D with a take-off thrust of 53,000 lb, which will be available for service in 1981, and the 524G, with a take-off thrust of 55,000 lb, both of which will enable even greater ranges and payloads to be achieved.

Builders' chief urges review of land tax

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

AN URGENT review of the on district valuation. Development Land Tax Act was called for yesterday by Mr. Colin Shepherd, president of the House Builders' Federation.

He told the federation's South Wales region at Cowbridge that open market values that he puts there were "fundamental inequalities" in the structure of the tax which required immediate reform.

In particular need of change, he claimed, were the deemed disposal arrangements by which a builder could face DLT liability even though the development as a whole failed to show a profit.

Mr. Shepherd criticised the way in which the land element of a house builder's business was taxed separately from his profits as a whole.

"By whatever method this is done, it would be bound to represent a unique form of discrimination against gains in the value of the stock in trade of a particular industry."

The system of assessing tax liabilities at the start of development, he said, was particularly inequitable as they were assessed

"The district valuer cannot possibly know all the circumstances of the particular land and development being undertaken, with the result that the valuation open market value that he puts upon the land for DLT purposes may be far in excess of the real or residual value of the land to the builder undertaking the development."

"Furthermore, the assessment is made prior to the realisation of any profit and it is possible as a result of this method for tax to become payable even though no profit is made on a scheme."

Mr. Shepherd also commented on other aspects of DLT which he suggested, "showed signs of being hurriedly formulated and which now require revision."

He wanted changes in the reckonable date, from which interest must be paid on unpaid DLT, and he called for an end to the plethora of notices and inquiry forms issued by the DLT unit, many of which duplicated information.

Sales rise for plant hirers

SALES OF 60 of the leading plant hire companies reported by Inter Com-Construction plant hire in the pany Comparisons, a group UK rose by 25.9 per cent over the three years to April, last year, but the rate of sales growth declined slightly in the second half of this period.

Sales in the second year under review rose by 19.3 per cent but in the third year by only 16.4 per cent, says a business ratio report by Inter Com-Construction, 81, City Road, London, EC1, 2AA.

HOME CONTRACTS

£2m orders for Elliott

Two orders, worth a total of nearly £2m for multi-stage compressors for the oil and chemical industries have been received by ELLIOTT TURBOMACHINERY, Knightsbridge, London. They will be manufactured at the company's plant in Cowes, Isle of Wight. The order is for two compressors for the Shell Fuels platform in the North Sea. The other order, from Petrochemical Developments, is for a multistage compressor to be used for propylene refrigeration in Bydgoszcz in Poland by Polimex Cegok.

PYE TVT, the Cambridge-based broadcast company of Philips, will supply £1.5m worth of new equipment to Bushnell Communications, Canada, under a contract placed with Philips, Toronto. Pye TVT has also received an order for a colour camera valued at about £250,000 from Thames Television.

A contract worth nearly £200,000 to supply and install a computer room air conditioning system for Sicon International, which has been won by PRECISION AIR CONTROL, the design and contracting company of East-Williams Group, Esher, Surrey.

MARCONI COMMUNICATION SYSTEMS, a GEC-Marconi Electronics company, is to supply a radio link and line-of-sight radio equipment to the Dubai National Gas Company. The contract, valued at around £225,000, is for equipment that will be used to establish and maintain communications from the main land to platforms in the Gulf.

GENERAL TELEPHONE AND ELECTRONICS CORPORATION has been awarded a contract worth \$4.5m to supply digital exchange to two Danish telephone companies. The contracts were awarded jointly by Jyske Telefon-Aktieselskab (JTAS) and Fyns Kommunale Telefonselskab (FKT).

Is this really the best way to do business?

Most people still like to do business eyeball to eyeball.

Seeing the whites of the other man's eyes oils the wheels of commerce, they say.

However, we in the telephone business don't see eye to eye with that view.

And when you take a look at the facts, they agree with us.

Travel costs have doubled over the last five years, oil crises being largely to blame.

The cost of employing people has risen, too. To save money, some companies have taken the step of reducing their complement.

Hence, it has become critical to keep staff at their desks and let the telephone take care of the running around.

It helps to increase the efficiency of your business.

It doesn't get caught in the traffic. Doesn't get lost.

Doesn't take four weeks a year holiday. The trouble is, the penny still hasn't dropped with many companies.

Has it, with you?



We're here to help you.

in mon
vital
-Jenki

BY ARTHUR SANDLES

and Spencer and Debenham were among companies with whom the American leisure major initially discussed its ideas.

Cunard, Thomas Cook and Royal Doulton have also been involved in talks.

Disney has been faced with the problem that while American companies have been eager to sink considerable funds into the Disney World almost on a public relations basis, foreign companies have taken a more hard-nosed view of the exercise. They have looked for high returns as well as major capital contributions from Disney. Selfridges says that a large investment will be relatively small.

The new extension to Disney World will consist of a large island, around which international pavilions will be grouped in villages. West Germany, Japan to the plan.

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BY MARTIN TAYLOR

Firm	Ranking				
	1978	1977	1976	1975	
James Capel	1	=1	3	=6	
Hoare, Govett	2	=1	=2	2	
Kemp-Gee	3	=2	=2	=5	
Wood Mackenzie	4	=2	1	1	
Greenwell	5	3	=2	3	
de Zoete & Bevan	=6	4	4	=	
Phillips & Drew	=6	=	6	=6	
Rowe & Pimman, Hurst-Brown	=6	5	5	=	

number one position in their sectors, reflecting their emphasis on high quality research in a more limited number of sectors of the market.

Similarly, Wood Mackenzie, in fourth place, had as many first responses as James Capel but fewer analysts ranked second and third.

"In general, however, these results demonstrate that there has been no basic change in the source of most investment research used by the institutions," the study concludes.

Among analysts who improved their position sharply over 1977 were Bill Seward of Phillips and Drew who moved to first place in household goods from fourth last year, while also coming first in motors.

Four analysts moved up to third place from seventh in their respective sectors: Mike Geering of James Capel in distillers, Max Dolding of Vickers da Costa in hotels, catering and entertainment, David Long of Henderson Crosthwaite in food manufacturing and Mike Coulson of Messel in golds. Gilt-edged market analysis is still easily dominated by teams from Genewell and Phillips and Drew, with Tim Congdon of Messel moving into third place.

BY RAY PERMAN, SCOTTISH CORRESPONDENT

The I

is an

BY ARTHUR SANDLES

for chemicals, Tony Mackintosh of Wood Mackenzie for oils and Bernard Lardner of Laing and Cruickshank on merchant banks.

Continental Illinois notes that the two brokers at the head of the league are both houses providing wide research coverage, while Kemp-Gee had the highest proportion of analysts in the

DERBYSHIRE County Council will build a new community near Alfreton, which will eventually provide homes for 3,500 people. Development of Broadmeadows, a housing project in the area, will be carried out by Arncliffe Super Homes, of Leeds, after completion of successful negotiations. Under the contract, worth nearly £1m, Arncliffe will buy more than 70 acres for housing to complement industrial development at Alfreton. Contracts will be signed on October 12 at Matlock.

BY MAX WILKINSON

Ordinary family cars no longer come at ordinary prices. So it's good to know there's still a range of very special saloon cars at prices that compare most favourably with their not-so-special competitors. For between \$3,457 and \$4,680* you can have a 1300cc, 1600cc (as shown) or 2000cc twin overhead cam engine, 5-speed gearbox, front-wheel drive and a lot of excitement. You can have independent suspension all round and servo-assisted disc braking on all four wheels. A full array of instruments, including electronic rev counter, oil pressure and early warning systems for

BY PAUL TAYLOR

BY ROBIN REEVES

Where to see the Lancia Beta range:

KINGSLAND Alameda: William Sample Motors. Tel: 0255 5017. Ashted (Midday): Lohman Garage. Tel: 69 483931. Auruburg: Midlow Motors. Tel: 084 44 5238. Buckley: White House Garage. Tel: 6286 50723. Buckley: R. A. Chisholm & Son. Tel: 01-954 5461. Bunatopote: Clover Leaf Cars. Tel: 0255 0358. Buck-John March (Said). Tel: 0255 813752. Bullford: Owen Valley Motors. Tel: 0234 64191. Bulger: Jovett Motors. Tel: 097 69 3563. Bunahouse: Colmore Dayot. Tel: 021 643 4001. Bunford: Kishon Sports Cars. Tel: 0256 32568. Bulton: Packer of Buldon. Tel: 0204 33262. Bunton: Modern Light Cars. Tel: 0202 33304. Brighton: Ken & Betty (Sharnham). Tel: 079 11 5134. Bulton: Continental Chain Clutch. Tel: 0272 37119. Bunton: Normand (Bromley). Tel: 01-400 1134. Bunton: Ellis (Sussex). Tel: 01414 61 4291. Cambridge: Wallis & Son. Tel: 0223 39 761. Cambridge: Chichester Cars. Tel: 053 724 2468. Cambridge: Cammell & Edwards. Tel: 22 42395. Cambridge: Swinton Road Service Station. Tel: 0254 323167. Cambridge: David Moore. Tel: 0254 311264.	Chichester: Swan Garage. Tel: 0243 773771. Chichester: David Short Motors. Tel: 0471 65352. Chichester: D. Salmon Cars. Tel: 0206 46435. Chichester: Dunham Service Station. Tel: 0253 5345. Chichester: Mack Petrol Motors. Tel: 0252 46548. Chichester: Springwell Motors. Tel: 0202 85470. Chichester: Tim & Purdon. Tel: 0206 67411. Chichester: Geraldine Poyles Station. Tel: 0253 4871. Chichester: Kromm Garage. Tel: 059 62 73533. Chichester: Huxford. Tel: 0252 252311. Chichester: J.D. Ross. Tel: 0252 882119. Chichester: Robert Hearn Motors. Tel: 054 262 4256. Chichester: Antipope. Tel: Midway 0543 55333. Chichester: Wiggins Motor. Tel: 0458 41309. Chichester: Puttick. Tel: 0483 69781. Chichester: (02423) Norman Kingston Cars. Tel: 0967 3666. Chichester: Alderson Motor Centre. Tel: 0423 583571. Chichester: C.W. Yates. Tel: 30 71225. Chichester: Winton Service Station. Tel: 048 875 146. Chichester: Polar of Chichester. Tel: 048 875 5358. Chichester: Lockwood Motor Garage. Tel: 0481 35944. Chichester: Wright Sports Garage. Tel: 0963 55651.
--	--



Ordinary family cars no longer come at ordinary prices. So it's good to know there's still a range of very special saloon cars at prices that compare most favourably with their not-so-special competitors. For between \$3,457 and \$4,680* you can have a 1300cc, 1600cc (as shown) or 2000cc twin overhead cam engine, 5-speed gearbox, front-wheel drive and a lot of excitement. You can have independent suspension all round and servo-assisted disc braking on all four wheels. A full array of instruments, including electronic rev counter, oil pressure and early warning systems for

low brake fluid level and disc pad wear. You can seat five adults in luxury, with fitted carpets, thick padding and sound insulation and separate heating and ventilating controls for rear passengers. You can surround yourself with safety features like a rigid steel safety cage and front, rear and side sections designed to absorb accident impact. You can have an 18 cu. ft. boot for your luggage with low-level sill for easy loading. You can have interbody cavity injection and underbody sealing to fight corrosion and a full 12 month warranty.

And you can have a name that stands for the very best in Italian automotive design and engineering. By now, you're probably quite anxious to know where you can find such a car.

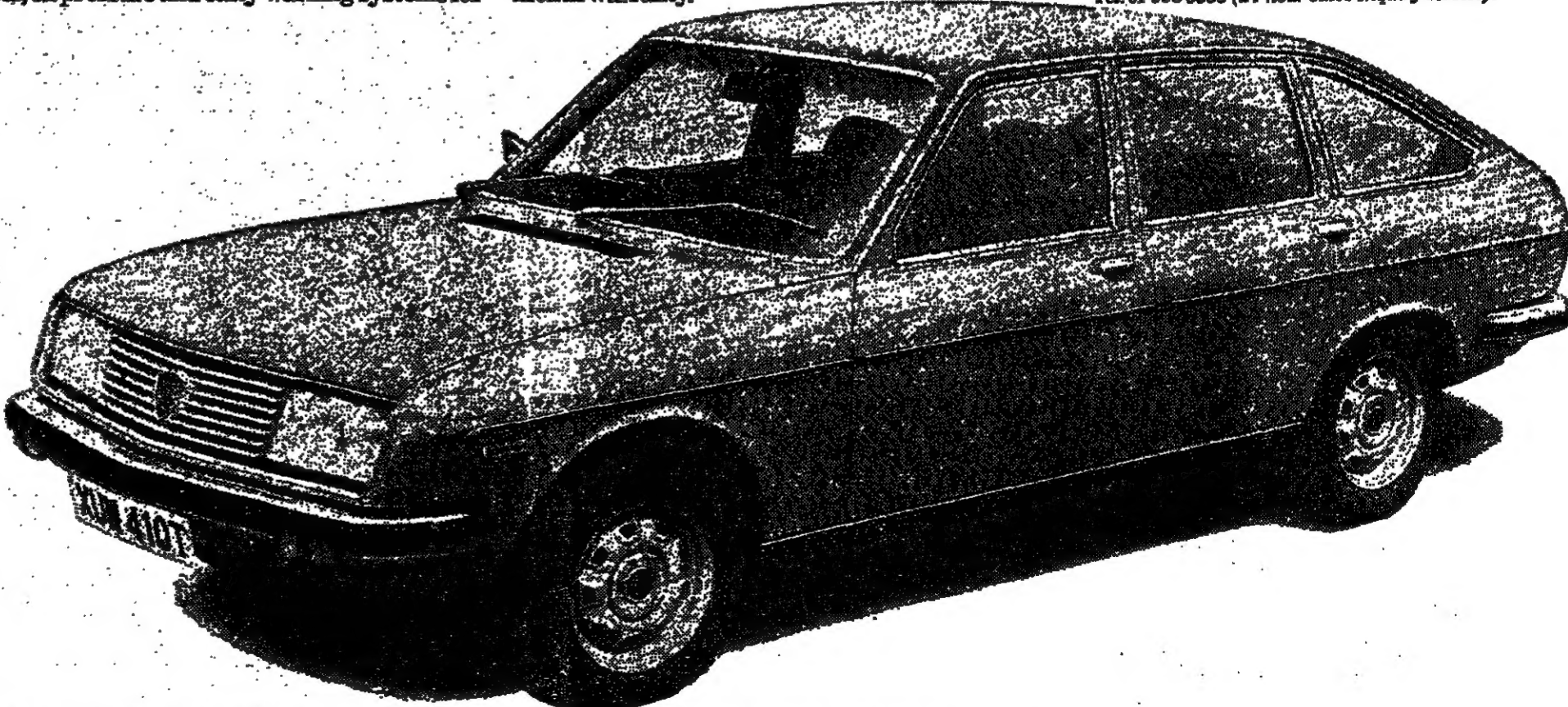
Go along to your Lancia dealer and ask him to show you a Lancia Beta.

The last thing it is, is an ordinary family saloon.

LANCIA

The most Italian car.

Lancia (England) Ltd, Alperton, Middlesex.
Tel: 01-988 5355 (24-hour sales enquiry service).

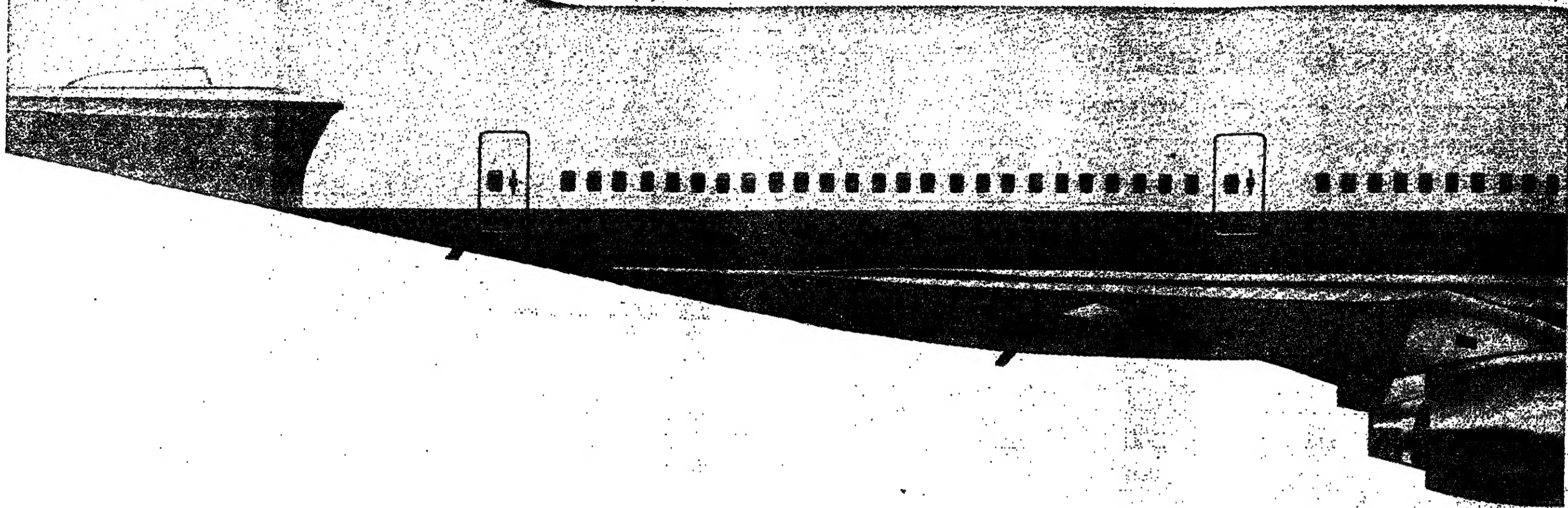


*Prices include VAT at 8% and car tax, inertia reel seat belts and delivery charges (UK mainland), but exclude number plates. Personal Export: If you are eligible to purchase a Lancia free of taxes, contact our Export Department.

ENGLAND
Almonds: William Sample Motors.
Tel: 0455 3247
Ashford (Addicks): Laleham Garage.
Tel: 0233 9391
Aylesbury: Hillview Motors.
Tel: 084 44 5326
Banbury: White House Garage.
Tel: 0236 69 543
Barnstaple: J. D. Robinson & Son.
Tel: 01224 3541
Basingstoke: Clover Leaf Cars.
Tel: 02536 3894
Bath: Jon Marsh (Bath).
Tel: 0226 83587
Beaconsfield: Ouse Valley Motors.
Tel: 0234 64491
Bingley: Jovette Motors.
Tel: 097 66 5564
Birmingham: Colman Depot.
Tel: 021 643 4001
Blandford: Emblem Sports Cars.
Tel: 0256 52566
Bolton: Paces of Bolton.
Tel: 0204 32526
Bournemouth: Motors Light Cars.
Tel: 0202 33394
Brighton: Kent & Rette (Shoreham).
Tel: 079 15 8334
Bristol: Continental Cars Office.
Tel: 0752 37139
Brynmor: Normand (Brynmor).
Tel: 01-480 2134
Burgess Hill: Tipples (Gorringe).
Tel: 014484 1649
Cambridge: Wallis & Son.
Tel: 0223 66719
Canterbury: Christie Autos.
Tel: 053 422 2469
Canterbury: Thompson & Edwards.
Tel: 22 42395
Chichester: Swinton Road Service Station.
Tel: 0243 35217
Chichester: Deen Motors.
Tel: 0204 312264
Chichester: Swan Garage.
Tel: 0243 873371
Cleethorpe: David Short Motors.
Tel: 0473 63592
Colchester: D. Robinson Cars.
Tel: 0206 46435
Dorchester: Deane Service Station.
Tel: 339 3345
Dorset: Mark Pritchard Motors.
Tel: 0203 48249
Dunstable: Springfield Motors.
Tel: 0298 9541
Dorchester: Tice & Burton.
Tel: 0205 67411
Dorchester: Crumlin Bayliss Station.
Tel: 0268 416571
Dunstable: Keworth Garage.
Tel: 059 65 73653
Durham: Heford.
Tel: 0269 283811
Durham: J. D. Ross.
Tel: 0263 862513
Durham: Huddersdon Garage.
Tel: 034 282 4266
Gillingham: Antipolite.
Tel: 0264 05241 83338
Gloucester: Warren Motors.
Tel: 0458 133909
Gosport: P. Potts.
Tel: 01433 69781
Halesworth (Stafford): Norman Kingston Cars.
Tel: 09467 5666
Harnage: Aldenham Motor Centre.
Tel: 0423 886571
Harford: C. Way Autos.
Tel: 30 71233
Hemel Hempstead: Valuations Service Station.
Tel: 049 876 164
Hemel Hempstead: Poles of Greshford.
Tel: 042 873 6362
Hemel Hempstead: Lockwood Motor Garage.
Tel: 0464 39344
Hemel Hempstead: John's Garage.
Tel: 0263 69681
Ipswich: Giff Garage.
Tel: 0473 78377
Kewborne: Miller Bros.
Tel: 0925 58078
Kettering: Brookington Motors.
Tel: 0530 700234
Kidderminster: Colquhoun Depot.
Tel: 0562 62311
Kings Lynn: Hill & Osborne.
Tel: 0535 85239
Leeds: Banksers of Worthing.
Tel: 0532 624418
Leicester: Turbury Garage.
Tel: 0533 4122 48
Leicester: Elmole Railroad.
Tel: 053 21136
Liverpool: Bolton & Son.
Tel: 051 439 4433
LONDON
NW6: Richard Knight Cars.
Tel: 01-228 7727
NW7: Martin Fraser: Tel: 01-829 0921
SE1: Waterloo Garage.
Tel: 01-498 1922
SE18 (Stratford): D.J.R. Autos.
Tel: 01-555 1582
SW1: Peter Wolfenden.
Tel: 01-238 7918
SW7: (Service only) Robert Pritchard & Partners: Tel: 01-873 3909
SW18: Jon Street: Tel: 01-870 4114
SW19: Iver Hill: Tel: 01-845 555
SW19: Portman Garage: Tel: 01-835 5418
W1: The Chequerid Flag.
Tel: 01-497 0029
W6: (Service only) Chispahead of Kensington: Tel: 01-749 7397
NW10: Richard Knight Cars.
Tel: 0203 22649
NW10: Richard Knight Motors.
Tel: 020 524 3425
Newfield: Roy Morgan.
Tel: 0623 810330
Newcastle-upon-Tyne: Irvine Motors.
Tel: 0632 734591
Northampton: Brookington Motors.
Tel: 0604 36787
Northwich: Palmer Motor Co.
Tel: 0663 43545
Northwich: Blackwell Motors.
Tel: 0671 4021
Oxford: J. D. Barclay.
Tel: 0865 65994
Paisley: Rogers Garage.
Tel: 0753 366324
Pangbourne: Autocare.
Tel: 0757 31 2222
Peterborough: Peterborough Autos.
Tel: 0753 53146
Plymouth: R. Hargreaves.
Tel: 0752 771128
Romey: Nollis of Romey.
Tel: 0784 53185
St. James-on-Sea: Church Road.
Tel: 0253 726673
St. Leonards-on-Sea: Valley Motors.
Tel: 0430 62641
St. Leonards-on-Sea: Stubbardsfields.
Tel: 0424 430841
Southborough: Miskin & Knapp.
Tel: 0723 64111
Sheffield: Macken Bank Motor Co.
Tel: 0742 52438
Sheffield: Childs Garage.
Tel: 073581 3352
Southampton: Modern Light Cars.
Tel: 0703 25628
Southsea: Thorpe Bay Antiques.
Tel: 0703 568300
Stamsted: The Stamsted Motor Co.
Tel: 0279 812385
Stamsted-on-Ten: Dixon & Bay.
Tel: 0845 551423
Stoke-on-Trent: Wigners & Ryles (Haxley): Tel: 0782 39244
Stroud-on-Avon: Miller Bros.
Tel: 0789 50356
Stroud: Dick Lovett Specialist Cars.
Tel: 0783 37878
Taunton: A. Sparks.
Tel: 082 342 254
Teddington: V.C. Vehicles.
Tel: 0292 618081
Thrapston: Moss Wood & Kraling.
Tel: 849 3431
Tunbridge Wells: Paces Garage.
Tel: 0672 962347
Tunbridge Wells: G.B. Timbridge.
Tel: 0685 35111
Walsley: New Brighton Garage.
Tel: 0767 638 0646
Wallingford: Jack Rose.
Tel: 01-647 4473
Warrington: Jan Marsh.
Tel: 0565 214777
Weybridge: Tony Smith.
Tel: 01-891 01 49624
Wimborne: Wilmfords Autos.
Tel: 099 64 37356
Worcester: Delta Motor Co.
Tel: 55 60707
Worcester: Museum of Hemborough.
Tel: 099 882317
Wolverhampton: Cuvins Motors.
Tel: 0902 37897
Worcester: Chichester Motors.
Tel: 0905 831821
York: Pionically Auto Centre.
Tel: 090 434521
SCOTLAND
Aberdeen: Glen Henderson Motors.
Tel: 0224 28949
Ayr: Glen Henderson Motors.
Tel: 0226 01821
Dunbar: R.S. Nicol & Sons
Tel: 0262 712830
Dundee: Patterson Cars.
Tel: 0882 26907
Edinburgh: Glen Henderson Motors.
Tel: 031 225 5266
Glasgow: Glen Henderson Motors.
Tel: 041 843 1166
Leamington: Mansfield Motors.
Tel: 0555 25267
London: P.S. Robinson.
Tel: 0202 21 42
Peebles: Brown Bros.
Tel: 071 262545
WALES
Cardiff: Snow's Garage.
Tel: 0222 39249
Porthcawl: Snow's Garage.
Tel: 0443 402630
Swansea: Glanfield Lawrence.
Tel: 0792 548587
Haverfordwest: Fred Ross Garage.
Tel: 0437 2426
NORTHERN IRELAND
Belfast: Stanley Harvey & Co.
Tel: 0282 41057
Lisnagry: Colquhoun Cars.
Tel: 050 472 3676
ISLE OF MAN
Port Erin: Snow Garage.
Tel: 062 483 2021
CHANNEL ISLANDS
Guernsey: St. Peter Port.
Dorset Motors: Tel: 0481 24025
Jersey: St. Helier.
Tel: 0384 37367
Le Moyre: Colquhoun.
Tel: 0534 43738
*Limited Cars are only available for
authorised sales network on Island.
List effective from September to 1st
STD Codes are given as from London*

1978
1978
don.

Now full fare the States get



As someone paying full economy fare to the U.S.A., you'll agree it's time airlines offered you a better deal.

Well, now one has.

From October 29th, all British Airways 747s, VC10s and DC10s flying to the States* will boast a separate cabin called Club Class.

So without paying a penny more, you can set yourself apart.

YOUR OWN SPECIAL CHECK-IN

You'll appreciate the difference from the moment you arrive at Heathrow.

As a Club Class passenger, you use your own special check-in facilities.

It's quicker, easier. In fact, a real boon to the busy business traveller.

And we've made similar arrangements for you at New York and at all other U.S. gateways.

NEW ELIZABETHAN SERVICE

Club Class is full of surprises—all of them pleasant.

Your cabin is further forward in the aircraft than Discount Class.

Staff are assigned exclusively to your cabin. So the service is even more attentive. And rather special, too.

It's British Airways new Elizabethan Service.

As you and your fellow business travellers settle back in the relaxing Club atmosphere, you'll not only feel more comfortable. You'll have many free extras to look forward to, as well.

FREE DRINKS FROM THE CLUB BAR

For a start, the drinks are on us.

The Club bar is open almost from take-off to touch-down. And you're free to ask for what you want.

We thought you'd appreciate having a drink when you feel like one. And at no extra cost.

TASTY ELIZABETHAN FOOD

As part of our Elizabethan Service, you'll enjoy a menu based on authentic Tudor dishes. Similar to those served in the Royal residences and Noble houses of Elizabeth I's day.

For instance, our Rycote House Rere Supper. 'Capon puddyng after Mistress Duffeld's way; cutlet of lambe Oatlands, buttered lima beans with carets and roasted potato; spiced pear Lady Norris; comfits; posset Sir Francis.'

Sounds good, doesn't it? It tastes even better.

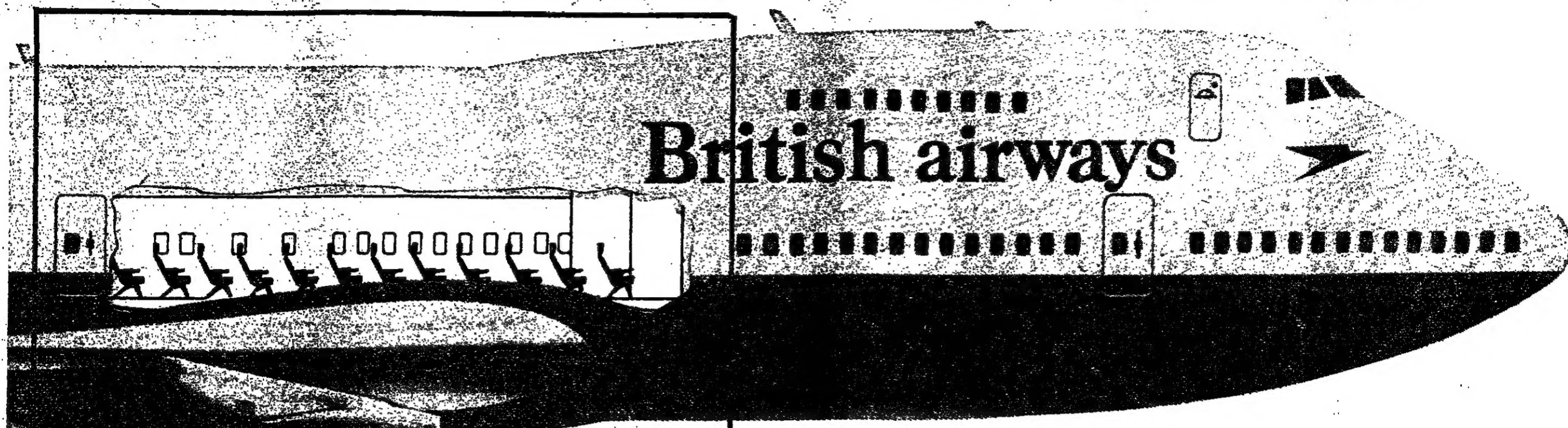
FREE IN-FLIGHT ENTERTAINMENT

Our aim is to get you to America refreshed

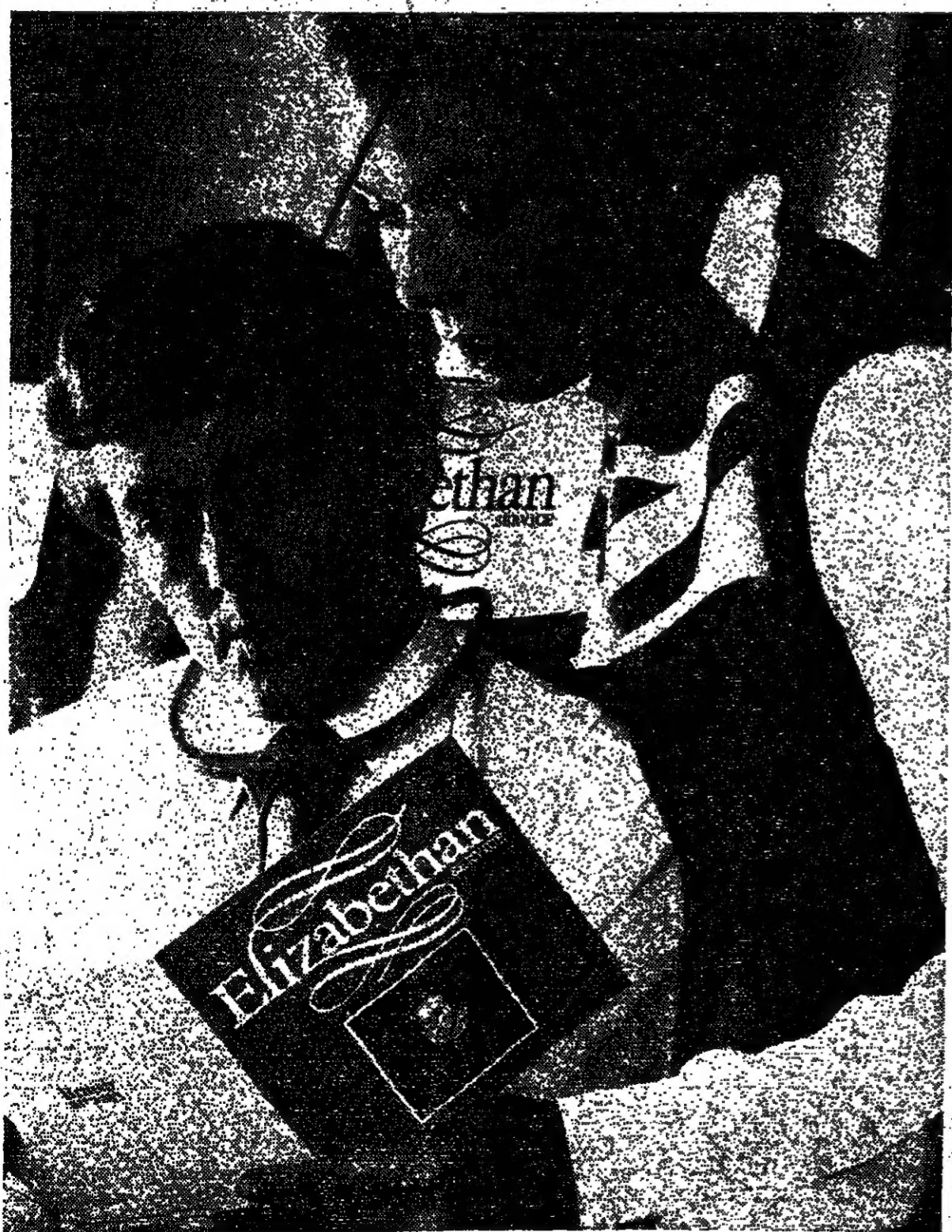
*except to Anchorage

01/01/1979

re passengers to e a better deal.



NEW CLUB CLASS



Elizabethan
SERVICE

and relaxed. And therefore more ready and able to get down to business.

To keep you amused, we've the usual in-flight entertainment. Except that when you travel Club Class, it's all free.

You can listen to the music of your choice on your own stereo headset. Or sit back and enjoy a good film—often one that hasn't been seen this side of the Atlantic.

FLY THE FLAG TO THE STATES

Pay the full economy fare to the U.S.A. and you'll receive a good bit extra when you fly British Airways.

You'll feel pampered, privileged, someone special. Because we've made you a special case.

So next time you've business in the States, ask your Travel Agent or British Airways Shop about our new Club Class with its exclusive Elizabethan Service.

The first time you fly it, you'll see why it's seats ahead of the rest.

**British
airways**
We'll take more care of you

LABOUR AT BLACKPOOL



Reports by John Hunt, Ivor Owen, Dlinor Goodman, and Philip Rawstone. Pictures by Terry Kirk.

Lestor stops bid to revive vote row

A RENEWED bid to force a fresh vote on the compulsory re-election of MPs by constituency parties, petered out at the conference.

The issue, which provoked a major row on Wednesday, was raised again at the start of yesterday's session.

It was brought up by Basingstoke Labour Party delegate Mr. Terry Hunt, one of the protesters in the angry demonstration over the vote-muddle involving Mr. Hugh Scanlon's engineering union.

Mr. Hunt said: "I would like to ask you to clear up the misunderstanding and ill-feeling when the million votes were lost and denied the will of conference."

Mr. Hunt said it would be "relatively easy" for conference chairman Miss Joan Lestor to see whether delegates wanted the vote to be taken again.

But Miss Lestor replied: "I am not going to alter my ruling in any way at all—I stand by my ruling."

The row was sparked earlier in the week when Mr. Hugh Scanlon failed because of procedural confusion to cast the AUEW's 800,000 block vote in favour of compulsory re-election of MPs. If he had done so, it would probably have tipped the vote against the National Executive's stand.

Mr. Hunt said: "I would like to ask you to clear up the misunderstanding and ill-feeling when the million votes were lost and denied the will of conference."

Mr. Hunt said it would be "relatively easy" for conference chairman Miss Joan Lestor to see whether delegates wanted the vote to be taken again.

But Miss Lestor replied: "I am not going to alter my ruling in any way at all—I stand by my ruling."

The row was sparked earlier in the week when Mr. Hugh Scanlon failed because of procedural confusion to cast the AUEW's 800,000 block vote in favour of compulsory re-election of MPs. If he had done so, it would probably have tipped the vote against the National Executive's stand.

Mr. Hunt said: "I would like to ask you to clear up the misunderstanding and ill-feeling when the million votes were lost and denied the will of conference."

State-ownership of North Sea oil should be our goal, says Benn

STATE OWNERSHIP of North Sea oil, with the multinational companies having the role of contractors, instead of concessionaires, was envisaged by Mr. Anthony Wedgwood Benn, the Energy Secretary.

He accepted, on behalf of the NEC, the objective of full public ownership in the North Sea and endorsed the Government's decision earlier in the week that BP and other subsidiaries should be brought under full public control.

Mr. Benn yesterday described the present relationship between the Government and BP, which was brought into partial public ownership in 1974, as "unsatisfactory".

Delegates warmly applauded as he reaffirmed his determination to oppose EEC Commission proposals which would transfer control of Britain's energy policy from Westminster to Brussels.

He also made it clear that the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.



Mr. Benn speaking in the energy debate.

decision to proceed with the uranium would have then run into the cost of re-processing out.

A resolution calling for the reversal of the decision to build the plant at Windscale. He wanted the building of the plant to be delayed until the cost of re-processing out.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Control Mr. Benn emphasised the importance of the political will needed to carry through radical proposals, and was obviously delighted that the motion was unchallenged.

Mr. Benn said the Government would not be deterred by the Commission's view that the interest relief grants for the offshore supply industry were in breach of the Rome Treaty.

"I have been warned over a period that we may be taken to the European Court," he said.

Delegates criticise police in law debate

BITTER CRITICISM of the police marked the debate on law and order and Mr. Merlyn Rees, the Home Secretary, was given a rough ride by many delegates.

There were derisive shouts when he insisted that the police were subject to the law in the same way as other citizens.

Such was the hostility to Mr. Rees, who spoke from the rostrum, that the platform called for a card vote when it seemed that a resolution advocating resolute action to combat vandalism might be defeated.

It was eventually carried by 441,000 votes to 2,082,000.

Mr. Rees himself told delegates to stop making generalised charges against the police and take up specific complaints through the proper channels.

Mr. Rees said the police were subject to the law in the same way as other citizens.

Such was the hostility to Mr. Rees, who spoke from the rostrum, that the platform called for a card vote when it seemed that a resolution advocating resolute action to combat vandalism might be defeated.

It was eventually carried by 441,000 votes to 2,082,000.

Mr. Rees himself told delegates to stop making generalised charges against the police and take up specific complaints through the proper channels.

Mr. Rees said the police were subject to the law in the same way as other citizens.

Such was the hostility to Mr. Rees, who spoke from the rostrum, that the platform called for a card vote when it seemed that a resolution advocating resolute action to combat vandalism might be defeated.

It was eventually carried by 441,000 votes to 2,082,000.

Mr. Rees himself told delegates to stop making generalised charges against the police and take up specific complaints through the proper channels.

Mr. Rees said the police were subject to the law in the same way as other citizens.

Such was the hostility to Mr. Rees, who spoke from the rostrum, that the platform called for a card vote when it seemed that a resolution advocating resolute action to combat vandalism might be defeated.

It was eventually carried by 441,000 votes to 2,082,000.

Mr. Rees himself told delegates to stop making generalised charges against the police and take up specific complaints through the proper channels.

Mr. Rees said the police were subject to the law in the same way as other citizens.

Such was the hostility to Mr. Rees, who spoke from the rostrum, that the platform called for a card vote when it seemed that a resolution advocating resolute action to combat vandalism might be defeated.

It was eventually carried by 441,000 votes to 2,082,000.

Mr. Rees himself told delegates to stop making generalised charges against the police and take up specific complaints through the proper channels.

Mr. Rees said the police were subject to the law in the same way as other citizens.

Such was the hostility to Mr. Rees, who spoke from the rostrum, that the platform called for a card vote when it seemed that a resolution advocating resolute action to combat vandalism might be defeated.

It was eventually carried by 441,000 votes to 2,082,000.

Mr. Rees himself told delegates to stop making generalised charges against the police and take up specific complaints through the proper channels.

Mr. Rees said the police were subject to the law in the same way as other citizens.

Such was the hostility to Mr. Rees, who spoke from the rostrum, that the platform called for a card vote when it seemed that a resolution advocating resolute action to combat vandalism might be defeated.

It was eventually carried by 441,000 votes to 2,082,000.

Mr. Rees himself told delegates to stop making generalised charges against the police and take up specific complaints through the proper channels.

Mr. Rees said the police were subject to the law in the same way as other citizens.

Such was the hostility to Mr. Rees, who spoke from the rostrum, that the platform called for a card vote when it seemed that a resolution advocating resolute action to combat vandalism might be defeated.

It was eventually carried by 441,000 votes to 2,082,000.

Mr. Rees himself told delegates to stop making generalised charges against the police and take up specific complaints through the proper channels.

Unanimous backing for move to end 'secret' government

A DEMAND for the urgent introduction of a Freedom of Information Act, similar to the one in the U.S., received conference-wide unanimous backing.

Also approved were the party's proposals for a "wide-ranging" reform of the House of Commons procedures and of the Civil Service.

Speaking on behalf of the NEC, Mr. Eric Heffer, MP for Liverpool, made it clear he would be putting heavy pressure on the Government to introduce a Freedom of Information Act in the new session of Parliament.

Mr. Heffer said the Home Secretary, Mr. Merlyn Rees, had already produced a White Paper proposing limited reform of section 2 of the Official Secrets Act. This is the much-criticised catch-all section which makes it an offence for government or public officials to divulge confidential information.

The resolution, proposed by Mr. Heffer, was seconded by Mr. Peter Ward, prospective Labour candidate for Shilley, who argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Mr. Peter Ward, prospective Labour candidate for Shilley, argued that Labour should not seek to copy the Tories in baying for hanging and flogging.

Council accuses Mrs. Williams in Ripon school case

A COUNCIL fighting to preserve a grammar school as a separate school in a comprehensive setup was being pursued by Mrs. Shirley Williams, the Education Secretary, like a "reluctant aunt," a High Court judge in London was told yesterday.

North Yorkshire County Council is resisting a call by Mrs. Williams to submit fresh proposals for comprehensive schooling in Ripon.

It wants to keep the town's grammar school as a separate secondary school from one across the road. But Mrs. Williams is anxious to see how schools merged as one comprehensive.

The council claims that the Minister has exceeded her powers under the 1976 Education Act in requiring the council to submit further proposals in place of those already made. It is seeking a declaration that she has misinterpreted the Act and has acted unlawfully.

Mr. John Wilmer, QC, for the council, told Mr. Justice Evans-Wilson that the issue was whether Mrs. Williams had power to require the authority to submit further proposals.

The Secretary of State, being a lady, likes proposals, and the question in issue is whether she can enforce a reluctant school to make proposals to her. He said the council had "satisfied the comprehensive principle" by its original proposals. Mrs. Williams, he contended, had no power under the Act to tell us how to go about the matter.

"In the present case, everyone is agreed that whatever happens in future, education in Ripon will be provided only in schools where arrangements for the admission of pupils are based on the comprehensive principle."

"Entry will not be based wholly or partly on selection by reference to ability or aptitude."

The county council had adopted its scheme for two comprehensive schools for the 11 to 16 age group after fully consulting the wishes of local people.

The two existing schools, Ripon County Grammar School and Ripon County Secondary School, were on opposite sides of the same road. The county's proposals would keep them as two separate comprehensive schools with a joint sixth form college.

But the Education Secretary wanted to convert it to a large school on the town premises, said Mr. Wilmer.

Mr. Wilmer said that it was for the council to decide whether to have one school or two. It was not for the Education Secretary to decide.

"If our plans are unreasonable, then Mrs. Williams can step in and use her powers under the Education Act. But she has been careful not to do so and she is now saying that our plans are unreasonable."

The council's plans for comprehensive re-organisation were submitted in July last year, but a month later the council was informed that the Education Secretary considered the proposals "unsatisfactory" because they continued the separate existence of the two schools.

She considered the county's proposals were "wasteful of resources" and would create "unnecessary difficulties" in the allocation of pupils and sixth form arrangements.

But whether Mrs. Williams thought the proposals right or wrong was irrelevant, said Mr. Wilmer.

The council had complied with its obligations under the Education Act to put forward proposals which were "in the public interest" and which were "in the public interest."

Mrs. Williams could accept them or reject them—in which case things would go on as under one roof.

BR's £120,000 Scots travel centre opens

BRITISH RAIL'S £120,000 travel centre at Aberdeen Station was formally opened yesterday by Mr. William Fraser, the Lord Provost of Aberdeen.

Behind the ceremony lay nine months' extensive building work, which enabled the station to shake off the shackles of its outdated booking hall and reception office which, British Rail said, was not keeping with today's standards.

The new centre will offer a comprehensive range of BR facilities including ticket sales, seat and sleeper reservations, inquiries and other services all under one roof.

Mr. Fraser said the new centre was a "major step forward" for the station and would greatly improve the travel experience of passengers.

He said the new centre was a "major step forward" for the station and would greatly improve the travel experience of passengers.

He said the new centre was a "major step forward" for the station and would greatly improve the travel experience of passengers.

Powell attacks Tory silence 'as Britain is humiliated'

BY RUPERT CORNWELL

MR. ENOCH POWELL last night attacked the silence of the Conservative Party over the "humiliation of Britain" when the Labour Government had taken up his proposal for a "British Bill of Rights."

The lesson that would be drawn both at home and abroad from the Conservative Party's silence was that it was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Mr. Powell said the Conservative Party was "afraid of the people" and was "afraid of the people."

Unions call for support in steel plant appeal

Financial Times Reporter

TRADE UNIONISTS in Sheffield have asked local industrialists to support a joint appeal to the Government to protect the city's special steel industry against foreign competition.

The move follows the decision of the Sheffield Chamber of Commerce to close its special steel operation and make 200 workers redundant.

Workers at the plant said yesterday that they would not accept the redundancy notices and would fight to save their jobs.

They urged management and other Sheffield industrialists to join a joint delegation to Mr. Eric Varley, the Secretary of State for Industry.

The Sheffield Chamber of Commerce wrote to Mr. Varley this week warning that once skilled craftsmen were lost, it

A SERIES OF INJECTIONS TO BOOST PERFORMANCE.

For those who wish to combine the superlative comfort of travelling in a Citroën CX with extra performance, Citroën offer a series of solutions.

Namely, the CX GTi, the CX Pallas Injection and the CX Prestige; three CX models all with Bosch L-jetronic fuel injection and electronic ignition. Each offers the kind of performance that could leave many a red-blooded sports car driver green with envy.

Matched to the electronic fuel injection is a wind cheating design that's only too willing to accommodate the extra performance. It also accounts for some pretty miserly fuel consumption. The CX GTi, for example, returns 34.9mpg at a constant 56mph (8.1 l/100km at 90 km/h)*.

Those who grew up associating 'performance' with a bone-shaking ride and the deafening roar of an engine will find the CX comes as nothing short of a revelation.

A ride in the CX is remarkably smooth with Citroën's celebrated hydropneumatic suspension absorbing all the bumps and road shocks.

There isn't a more comfortable suspension

system in any car at any price.

Aerodynamic styling makes the CX an exceptionally quiet car to drive at any speed.

Steering is Citroën's unique VariPower system. No other car's steering can match it.

When parking it's finger light, and power returns to a straight line position immediately the steering wheel is released. On the open road it grows progressively firmer with increasing speed.

The combination of VariPower steering and aerodynamic styling ensures that deviation from a straight line is negligible in the CX, even when driving on a motorway in strong cross winds.

A number of subtle variations differentiate the three injection models in the CX range, each of which has tinted windows, rear sunblinds, electronic ignition and electrically adjustable exterior mirror.

The GTi is all its name implies, with a close ratio five-speed gearbox, alloy wheels, matt black window surrounds, front and rear fog lamps and specially designed head restraints. (£6979.05.)

C-matic transmission is standard on the CX Pallas Injection, the most luxurious of the standard wheelbase CX models. (£6997.77)

The Prestige is the ultimate CX. Longer wheelbase and body, wider rear doors, extra head and leg room. Air conditioning is standard. Probably the most lavish of all saloon cars available at its price. (£9254.70.)

It remains only for us to offer you a few parting words as we leave you to ponder the choice. Whichever of our injections you decide to take, you can rest assured it will make you feel a lot better.

A selection of the 16 models in the CX range

Model	BHP	Top Speed	Price
CX 2000	102	109mph	£4966.65
CX 2000 Super	102	109mph	£5199.48
CX 2400 Super (5 speed)	115	112mph	£5813.73
CX 2500 Diesel Super	75	91mph	£6040.71
CX 2400 Pallas (5 speed)	115	112mph	£6398.73
CX 2400 Pallas (C-matic)	115	111mph	£6582.42
CX 2400 Pallas Injection (C-matic)	128	112mph	£6997.77
CX 2400 GTi Injection (5 speed)	128	118mph	£6979.05
CX 2400 Safari Estate	115	109mph	£5971.68
CX 2500 Diesel Safari Estate	75	90mph	£6315.66
CX 2400 Familiale	115	109mph	£6081.66
CX Prestige Injection (C-matic)	128	112mph	£9254.70

CITROËN CX.

*SIMULATED URBAN DRIVING 18.6 MPG (8.2 l/100km), CONSTANT SPEED DRIVING 25.1 MPG (10.1 l/100km). ALL CX MODELS HAVE RECOMMENDED 10000 MILES SERVICE INTERVALS. 1 YEAR UNLIMITED MILEAGE GUARANTEE. SUSPENSION GUARANTEED FOR 2 YEARS (MAX 65,000 MILES). PRICES INCLUDE CAR TAX, VAT AND SEAT BELTS BUT EXCLUDE NUMBER PLATES, DELIVERY CHARGE £68.04 (INC. VAT). PRICES CORRECT AT TIME OF GOING TO PRESS. ENQUIRE ABOUT OUR PERSONAL EXPORT, H.M. FORCES AND DIPLOMATIC SCHEMES AND PREFERENTIAL FINANCE SCHEME. CHECK YELLOW PAGES FOR NAME AND ADDRESS OF NEAREST DEALER. CITROËN CARS LTD, MILL STREET, SLOUGH SL2 5DE. TEL: SLOUGH 23808.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMMUNICATIONS

Small exchange with multiple options

A DEVELOPMENT contract has been placed by the Post Office with Fye TMC for what will be called small business system, SBS, essentially a ten-line PABX using microprocessor control and solid-state cross-points (switching elements).

At present the Post Office provides "under 10 lines" exchanges to meet particular needs in terms of capacity and facilities, larger exchanges being supplied by the private telecommunications manufacturers.

The new equipment will enable all the small exchange requirements to be met with one comprehensive system via software and the micro.

Pre says that it is one of the first small exchanges fully to exploit stored program techniques. In practice this means

that the user will be able to enjoy such facilities as call diversion with secretarial override, conference working, executive right of way and repertory, or abbreviated dialling. Multi-button telephone instruments will be supplied with the exchange, allowing access to each of the facilities by pressing one button only.

Capacity needs from two external plus eight extension lines up to 10 external and 30 extension lines can be met by employing a system of circuit cards and shelves.

An advantage to the Post Office will be the reduction of spares with fewer maintenance visits. More from the company at Swindon Road, Malmesbury, Wiltshire SN16 9NA. (06662 2121).

RESEARCH

Plastics cut solar costs

A SYSTEM of plastic bags, instead of the conventional plate collectors, has been tried out successfully during research into solar heating by a group of scientists at the Weizman Institute of Science in Israel.

The system supplies all the hot water needs of a group of 30 families and is considered particularly suitable for large consumers of hot water, such as factories and hospitals. Another application is seen in desalination plants, which would receive pre-heated water, thus cutting down the cost of fuel needed for heating sea water to distillation point.

The scientists put the plastic bags on a site adjacent to their block of apartments. But, with advance planning, they could be incorporated into almost any building.

In the experiment water is piped into the bags each morning. At 3 pm, when a maximum

water temperature of about 60 degrees C is usually reached, the hot water is emptied into an insulated storage tank for round-the-clock supply, saving 30 per cent of the cost of oil-powered heating.

The shallow collectors consist of plastic bags (PVC) measuring 42 by 35 metres, supported between concrete curbs on an insulation bed. They hold water to a depth of 10 cm. The upper part of the bag is transparent, the bottom part black.

For protection, the bags are covered by a hard, thin, transparent plastic sheet especially developed in Israel for maximum absorption of light yet corrugated for strength and durability. The material contains special stabilisers and anti-oxidation agents to give protection from damage by ultraviolet rays for five years. It is being made by the Parom factory of Kibbutz Yotvatan, Israel.

OFFSHORE INDUSTRIES

Tackling corrosion problems

ONE OF the major preoccupations of the engineers and scientists in the teams supporting the UK's North Sea efforts has been the problem of corrosion, whether it is of the metal used in the submerged section of metal rigs, the reinforcement used in concrete platforms, or the effects on the metals of hot crude oil or natural gas as they emerge from the wells. Depending on the depth and formation from which the crude flows its temperature can exceed 100 degrees C.

Metrotec, a specialist British company which is a major supplier of the coal tar enamels used for North Sea pipeline protection, has completed a new series of tests on an improved coal tar enamel coat and wrap system in which the harsh environment of North Sea working and the high temperatures encountered were simulated.

BP and Chevron jointly commissioned the work which

required the construction of a series of test pipes made of steel and coated internally with high temperature-grade enamel reinforced with a glass fibre inner wrap and having an outer wrap of coal tar impregnated glass tissue. This corrosion-prevention layer, a three-inch layer of high density concrete is applied.

To reproduce North Sea conditions, the test tank is filled with a synthetic seawater cooled down to 4 degrees C. Hot oil is then circulated through the pipe sections from a thermostatically controlled external oil tank.

Any creep in the coating is measured by gauges fixed between coating and concrete, while the temperature gradient across the coating is measured by a series of thermocouples mounted on the surface of the steel pipe and of the coal tar enamel.

The tests have shown that at typical temperatures encountered in the operating conditions, glass fibre reinforced

coal tar enamels are suitable for North Sea work and BP and Chevron have selected an appropriate enamel from Metrotec to be used on the Ninnian field northern pipeline. Further tests are in progress to determine the upper temperature limits applicable to such materials. Metrotec operates from Tonbridge in Kent on 0732 358141.

In the meantime, in Norway, a major four-year research project on corrosion problems in the offshore industry, specifically on rig structures, has been completed at a cost of £90,000.

Started in 1974 on the initiative of Det Norske Veritas and the Norwegian Ship Research Institute, it has had support from both a Government body and a group of interested companies.

Nineteen separate reports deal with topics such as types of corrosion and environmental data, electrolytic data, paints and coatings and the characteristics of sacrificial anodes.

An English digest is available.

COMPUTERS

A step back to move ahead

IN AN unprecedented and apparently retrograde move for the computer industry, Honeywell Incorporated and Honeywell have reached an agreement worth more than \$14m under which the latter will build 24 central processors of the now obsolete Sigma 9 type, originally made by Kerit Data System. To replace existing machines of this series used by Comshare in Britain and the US.

Honeywell took over 300 commitments when that company moved out of computers some two years ago.

At the same time, Honeywell is to build advanced solid-state memory systems based on MOS techniques, which will replace existing rotating magnetic memory and some solid-state memories of earlier designs.

This move is being made both to safeguard the considerable investment in software that the international real-time computer service group has made and to ensure that its customers are protected from machine failures. Though the Sigma 9's are among the most reliable processors built, they are becoming long in the tooth.

SAFETY & SECURITY

Scans bags on conveyors

RAPIDEX X-ray baggage screening equipment has been developed to work with a conveyor system.

IAL, with the technical operation of Pantak (EMI), has applied a well-proven X-ray tube to a new camera system and video store to produce the Rapidex 100, which is claimed to be the most advanced available.

Operation of the Rapidex 100 is normally continuous, a picture of the contents of each item of luggage being displayed on the control console monitor as luggage passes through the unit. In the event of a bag requiring further or closer examination, the operator presses an alarm button which ensures that the suspect bag is presented for re-

The present contract does not commit Comshare to any manufacturer and, in fact, company policy has been to move towards a more open position where it can benefit immediately from the best products as they become available.

This policy is essential in a group which has been growing at about 40 per cent annually. The UK end has been particularly successful with pre-tax profits around £1.15m in 1977 on a £5.5m turnover and a 45 per cent growth expected for 1978. Comshare is at 32 Great Peter Street, London, SW1P 2DB. 01-222-5555.

HAND TOOLS

Fast nail driver

STAPLE NAILING seems to be the name of the game in building, furniture and packaging industries, as it cuts down on labour, and a stapler, properly applied, can equal the hold of any nail on a wide variety of fastening jobs.

Light enough — only 6 lbs — to be operated with one hand, but toughly built to withstand rigorous daily use, is a staple nailer called BIF MS 7864 from BIF British Industrial Fasteners, Bury, Greater Manchester, M8 3JN. (0294 33675).

Nails can be driven at the rate of around 200 a minute.

MATERIALS

Blanket to make tanks safer

A KNOWN method for the prevention of an explosion in the petrol tank of a motorcar, is filling the tank with a honeycomb of aluminium foil. If such a tank is damaged, e.g. in an accident, leaking petrol may start a fire, but the tank will not explode because heat is rapidly conducted away by the foil.

One problem is that only tanks fitted with an electrical fuel gauge can be filled with foil, moreover filling very large tanks (such as those used in tankers) with the foil, would be expensive.

An invention which uses the properties of the foil while avoiding such disadvantages, surrounds the fuel tank with a jacket of foil of similar gauge material. This can be shown to act in a way somewhat similar to the copper gauze surrounding the old Davy safety lamp which was used to avoid mine gas explosions.

The blanket or jacket would be made of a material of good heat-conducting properties, e.g. copper or aluminium and be flexible. Another application is the covering of pipes for the transport of inflammable liquids or gases with a blanket according to the invention (on oil rigs for example).

Further information from J. van Tilburg & Co., Rotterdam, Holland WA 1AX. 01-286 7835.

Kit to mend plant

MAINTENANCE departments often need to spend highly on initial outlay of stocks for carrying out emergency and permanent repairs to plant and machinery. This should now be unnecessary, says Quantpack, with its introduction of a wide variety of thermosetting resin-based systems which come in two packs based on the standard sizes of the most commonly used materials, but also including small sizes of ancillary products.

One pack is designed primarily for engineering repairs, the other mainly for structural repairs to buildings.

The engineering pack, based on the company's Super-Sticks — includes the fast-curing emergency grade Quantbond epoxy adhesive, and ancillary products such as reinforcing tape, reeling patches, shrouder and release agent, for repairs on plant, machinery, pipes, etc.

The structural pack is based on Quantcure Standard, and aggregate together with Quantbond epoxy adhesive, depressor, release agent, etc. This enables them to be used for a wide range of structural repairs to property such as floors, roofs and steps.

More from the company at Thorp Arch, Trading Estate, Wetherby, West Yorkshire, LS23 7BZ. (0837 843388).

Less risk of accidents

Safety figures largely in the fitted with the minimum of disturbance to normal working routine.

Many accidents caused by slingers misreading the safe working load ratings on a sling, West Midlands, B74 4AB (021-308 7101). Many accidents, says the company, stem directly from using equipment that is not up to modern standards, or from operation by untrained men, and the Powerguard overhead cut-out, of course, is designed to be fool-proof, and can be fitted to any crane almost in a matter of minutes.

The company has now introduced new mechanical handling aids. These include a shrouded overhead crane power supply system (called Protecton) and a range of lifting slings (Stripes) in which the safe working load is identified by an overhead cut-out system — this is called Powerguard. The latter is particularly important as its overhead cut-out system is a visual follow-on from the usual overload alarm which is often ignored by the busy operator.

Risk of death by electrocution from the open busbar circuits that are still in use in workshops throughout the country — could be eliminated by the shrouded conductor rail which can be

fit with the minimum of disturbance to normal working routine.

Many accidents caused by slingers misreading the safe working load ratings on a sling, West Midlands, B74 4AB (021-308 7101). Many accidents, says the company, stem directly from using equipment that is not up to modern standards, or from operation by untrained men, and the Powerguard overhead cut-out, of course, is designed to be fool-proof, and can be fitted to any crane almost in a matter of minutes.

The company has now introduced new mechanical handling aids. These include a shrouded overhead crane power supply system (called Protecton) and a range of lifting slings (Stripes) in which the safe working load is identified by an overhead cut-out system — this is called Powerguard. The latter is particularly important as its overhead cut-out system is a visual follow-on from the usual overload alarm which is often ignored by the busy operator.

Risk of death by electrocution from the open busbar circuits that are still in use in workshops throughout the country — could be eliminated by the shrouded conductor rail which can be

fit with the minimum of disturbance to normal working routine.

Many accidents caused by slingers misreading the safe working load ratings on a sling, West Midlands, B74 4AB (021-308 7101). Many accidents, says the company, stem directly from using equipment that is not up to modern standards, or from operation by untrained men, and the Powerguard overhead cut-out, of course, is designed to be fool-proof, and can be fitted to any crane almost in a matter of minutes.

The company has now introduced new mechanical handling aids. These include a shrouded overhead crane power supply system (called Protecton) and a range of lifting slings (Stripes) in which the safe working load is identified by an overhead cut-out system — this is called Powerguard. The latter is particularly important as its overhead cut-out system is a visual follow-on from the usual overload alarm which is often ignored by the busy operator.

Risk of death by electrocution from the open busbar circuits that are still in use in workshops throughout the country — could be eliminated by the shrouded conductor rail which can be

fit with the minimum of disturbance to normal working routine.

Many accidents caused by slingers misreading the safe working load ratings on a sling, West Midlands, B74 4AB (021-308 7101). Many accidents, says the company, stem directly from using equipment that is not up to modern standards, or from operation by untrained men, and the Powerguard overhead cut-out, of course, is designed to be fool-proof, and can be fitted to any crane almost in a matter of minutes.

The company has now introduced new mechanical handling aids. These include a shrouded overhead crane power supply system (called Protecton) and a range of lifting slings (Stripes) in which the safe working load is identified by an overhead cut-out system — this is called Powerguard. The latter is particularly important as its overhead cut-out system is a visual follow-on from the usual overload alarm which is often ignored by the busy operator.

Risk of death by electrocution from the open busbar circuits that are still in use in workshops throughout the country — could be eliminated by the shrouded conductor rail which can be

fit with the minimum of disturbance to normal working routine.

Many accidents caused by slingers misreading the safe working load ratings on a sling, West Midlands, B74 4AB (021-308 7101). Many accidents, says the company, stem directly from using equipment that is not up to modern standards, or from operation by untrained men, and the Powerguard overhead cut-out, of course, is designed to be fool-proof, and can be fitted to any crane almost in a matter of minutes.

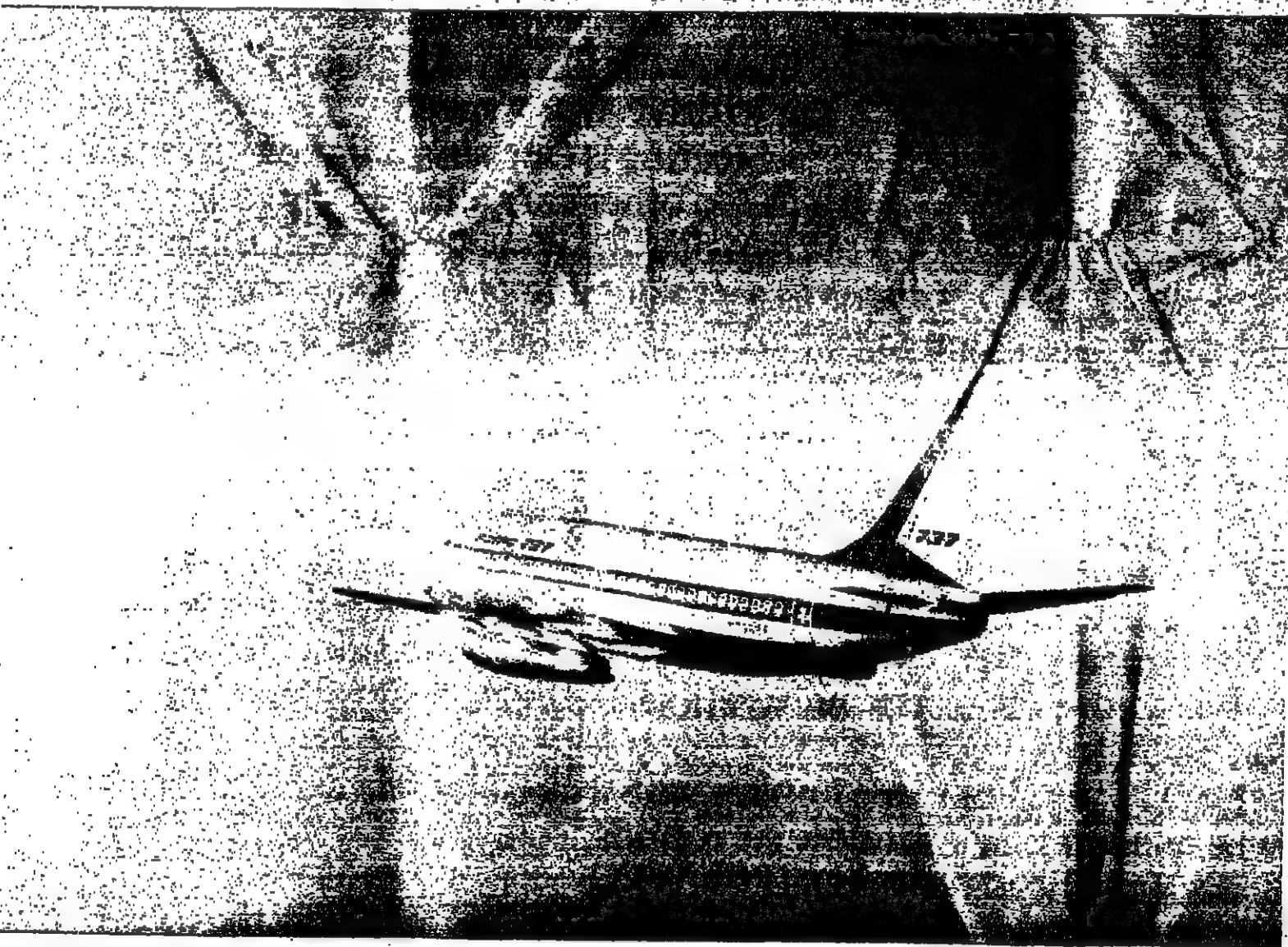
The company has now introduced new mechanical handling aids. These include a shrouded overhead crane power supply system (called Protecton) and a range of lifting slings (Stripes) in which the safe working load is identified by an overhead cut-out system — this is called Powerguard. The latter is particularly important as its overhead cut-out system is a visual follow-on from the usual overload alarm which is often ignored by the busy operator.

Risk of death by electrocution from the open busbar circuits that are still in use in workshops throughout the country — could be eliminated by the shrouded conductor rail which can be

fit with the minimum of disturbance to normal working routine.

Many accidents caused by slingers misreading the safe working load ratings on a sling, West Midlands, B74 4AB (021-308 7101). Many accidents, says the company, stem directly from using equipment that is not up to modern standards, or from operation by untrained men, and the Powerguard overhead cut-out, of course, is designed to be fool-proof, and can be fitted to any crane almost in a matter of minutes.

The company has now introduced new mechanical handling aids. These include a shrouded overhead crane power supply system (called Protecton) and a range of lifting slings (Stripes) in which the safe working load is identified by an overhead cut-out system — this is called Powerguard. The latter is particularly important as its overhead cut-out system is a visual follow-on from the usual overload alarm which is often ignored by the busy operator.



The world says the Boeing 737 is its favourite Little Giant.

Thank you, world.



More than 65 airlines now fly Boeing 737s. As a matter of fact, over 445 million passengers have flown the Little Giant over 2.5 billion miles. When we surveyed people around the world, we found out the Boeing 737 was the No. 1 twinjet for one very important reason: It has many of the same comforts as the larger jetliners.

BOEING
Getting people together.



Ferranti avionics will be flying high on both sides of the Atlantic.

In North America our COMED cockpit display has been selected for the US Navy's A18 Hornet strike fighter. In Europe we are making an extensive contribution to the production versions of the highly sophisticated multi-role combat aircraft, the Panavia Tornado, in partnership with German and Italian aerospace companies.

Ferranti technology plays an integral role in the defence capability of Britain and her allies.

Confidence, commitment, steady growth. That's Ferranti today.

FERRANTI
Selling technology

Ferranti Limited, Hollinwood, Lancashire O19 7J5

Working party plan for shipyard wages

BY PAULINE CLARK, LABOUR STAFF

MANAGEMENT AND UNIONS representing Britain's 29 State-owned shipyards are to set up a joint working party on wages in their first significant move towards creating a unified pay bargaining system for the shipbuilding industry.

The plan was agreed yesterday in what were described as informal talks between British Shipbuilders and leaders of the Confederation of Shipbuilding and Engineering Unions representing some 85,000 workers in the yards.

Describing the move as a "breakthrough" in months of talks on how to sort out the unwieldy bargaining structure in the industry since it was nationalised, Mr. John Chalmers, general secretary of Amalgamated Society of Boilermakers, said there would be a determined effort to establish a common date for wage settlements.

A full report on the agreement is to be presented to the Confederation in York next Wednesday and detailed discussion of the development is planned at a conference in November.

The working party is to report back "as soon as possible" but it seems unlikely that a new national pay policy will be formulated in time for the bulk of pay negotiations under the current 5 per cent Government pay policy.

British Shipbuilders inherited an untidy and fragmented bargaining structure from the old privately-owned yards where negotiations were conducted separately and tied only loosely to the national agreement for the engineering industry.

Last year settlements under the 10 per cent pay policy went ahead comparatively smoothly

partly because a number of yards were able to achieve extra payments through the Central Arbitration Committee under the 1946 Fair Wages Resolution.

This year, yards are said to be holding back on their pay negotiations until the Government's attitude to implementation of its 5 per cent policy becomes clear in renewed talks with TUC leaders. But meanwhile, yards such as Govan, which had settled by this time last year, are exploring the possibility of self-financing productivity deals to boost their earnings.

Shipyard workers are likely to see some benefit in retaining the present system under the current strict wage guidelines to ensure maximum flexibility for negotiating productivity deals in the separate yards.

The unions have always emphasised that there should be no rigid national bargaining structure but that local negotiations should be based on national minimum rates for the industry.

Extra impetus for formulating a national structure has arisen from the latest national agreement in the engineering industry where pay improvements have been biased towards engineering in private industry where considerably more overtime is worked than in shipbuilding.

Ministers attacked for failing to solve hospital dispute

BY OUR LABOUR STAFF

THE NATIONAL and Local Government Officers' Association yesterday renewed its attack on the Government for failing to find a solution to the two-week-old hospital workers' dispute as one of Britain's leading cardiologists warned that more patients might die on the industrial waiting list because of industrial action by the group.

Mr. Ray Harris, a national organiser in NALGO, said in a statement last night: "It is within the power of Mr. David Ennals, Secretary for Social Services, and his Cabinet colleagues, to settle the dispute very quickly and any suggestion of risk to patients must be firmly placed at his doorstep."

The union is among five unions representing 3,500 workers officers who are restricting repairs to essential hospital machinery and equipment to support their demand for a correction to anomalies in a new wages structure.

The works officers, who claim that some of them are being offered lower earnings than the craftsmen who work under them, have been told that Government pay guidelines prevent an improvement in the current offer.

Professor John Goodwin, of the clinical cardiology unit at Hammersmith Hospital, London—one of Britain's major teaching hospitals, said: "The great fear is that the incidence of

Vickers ends productivity deal and blames union

BY OUR OWN CORRESPONDENT

A SELF-FINANCING productivity scheme at Vickers has been scrapped because the company, which handles Defence Ministry contracts, said it was operating outside Government pay guidelines.

The Newcastle-upon-Tyne heavy engineering company has sent a letter to 1,200 shop floor workers telling them that the three-month-old productivity deal is to be abolished immediately.

The letter blames the decision on the refusal of the engineering union's works committee to comply with a clause governing job mobility—allowing workers to be transferred to other departments as the order book demands.

This clause is seen as vital to justify the cost of the agreement, which gave the men a £4 a week rise from the middle of July.

The workers, who will not be asked to pay back the money, are to hold a meeting next week to decide what action to take.

Mr. Jim Murray, works convenor, would not comment on the company's decision yesterday.

The agreement, drawn up over several weeks, allows either side to withdraw if the other does not comply with laid-down conditions.

The Elswick factory, where the men work, handles a wide range of defence contracts, largely involving tanks.

The company said yesterday that the scheme was effectively terminated by the union which had told Vickers that it could not meet the conditions of the deal.

Plessey sit-in workers ordered out

WHITE-COLLAR engineering workers occupying a building on the 30-acre Plessey Telecommunications complex at Edge Hill, Liverpool, in protest against redundancies, were ordered to quit by a High Court judge in London yesterday.

More than 40 members of the Technical, Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers have been occupying the building on a rota basis since September 26.

At a 10-minute private court hearing, Mr. Justice Phillips granted Plessey a possession order on the property.

The workers were not represented at the hearing.

Plessey said later: "The order is a step forward in resuming work in the building where System X—a new digital telephone dialling system—is being developed for the Post Office for introduction in 1980."

The dispute started on July 5, when Plessey gave the union 90 days' notice of redundancies affecting 60 workers.

Civil servants seek Secrets Act reform

BY PHILIP BASSETT, LABOUR STAFF

BRITAIN'S second-largest civil service union yesterday called for far-reaching changes to the Government's plans for the reform of the Official Secrets Act to bring about "genuine" open government.

The Society of Civil and Public Servants, which represents 105,000 civil servants in executive grades, said that the Government's White Paper on the reform of the Act was "totally inadequate" as a move towards greater openness. It is sending its criticisms to Mr. Merlyn Rees, the Home Secretary.

The society, which is the first civil service union to reply to the White Paper's recommendations, believes that its members are more directly affected by official secrets legislation than any other group of workers.

Instead of the two restrictions proposed in the White Paper of "security and intelligence" and "protective security measures," the wider use of the defence-confidential classification and a new area to cover the field of international relations, the society proposes that a new Official Information Act should be based on a statutory right of access to, and use of, information except for defined restricted categories.

Civil servants tend to be restricted in practice much more by administrative sanctions, including damage to promotional prospects, loss of pension rights and dismissal, than by the terms of the Official Secrets Act.

The society feels, though, that both criminal and administrative sanctions should be used only for unauthorised disclosure of restricted information.

Reform of official secrets legislation should not, too, make illegal the disclosure of annual departmental reports on employees—an issue on which the society and the Civil and Public Servants' Association have been trying to reach agreement with the Government for some years.

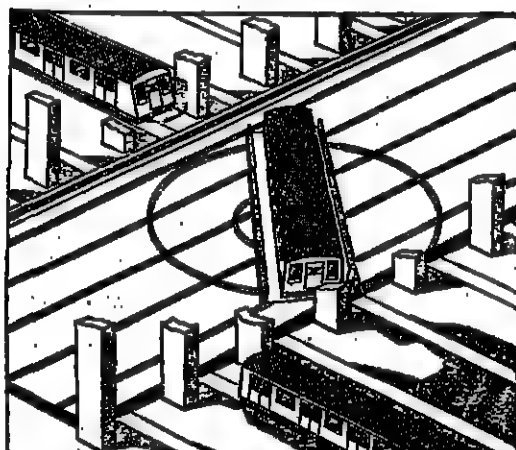
Mr. Gerry Gilman, general secretary, said the present Act muzzle civil servants. Every trivial item of information was secret and potentially covered by criminal and disciplinary sanctions unless disclosure was specifically agreed.

The Government's offer of a 12.7 per cent increase to civil servants' inner London weighting allowances is in his view "without prejudice" after before taking it to arbitration to press for an increase on the lines of the 13.5 per cent recently awarded to teachers' London allowances.

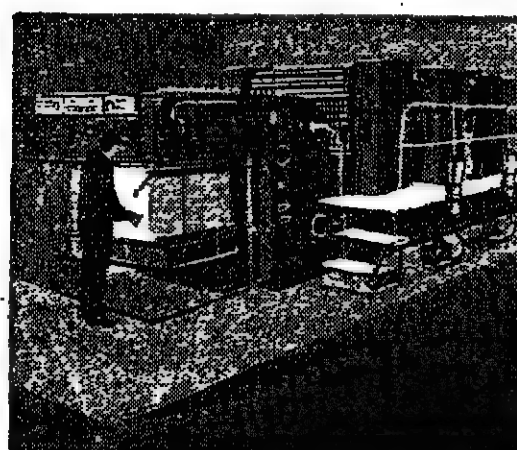
The Civil Service Union, which represents 1300 London traffic wardens taking industrial action over a pay claim, has been told that the Phase Three non-industrial civil servants' pay settlement to which the wardens want their pay linked, would be "slightly above" the 10 per cent guidelines if it were applied.

The union's traffic committee is expected today to discuss the action, which has seriously affected the availability to motorists of parking meters in the capital.

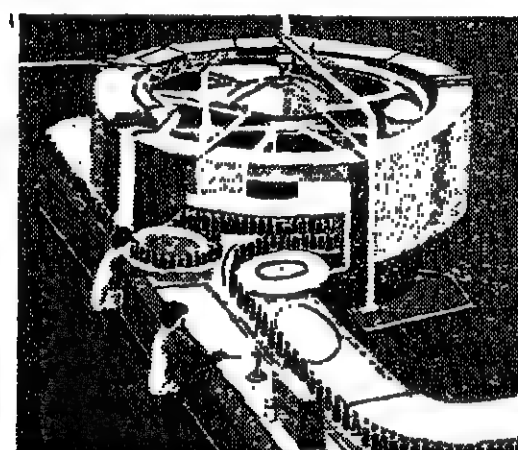
Our engineering skills are as varied as our markets.



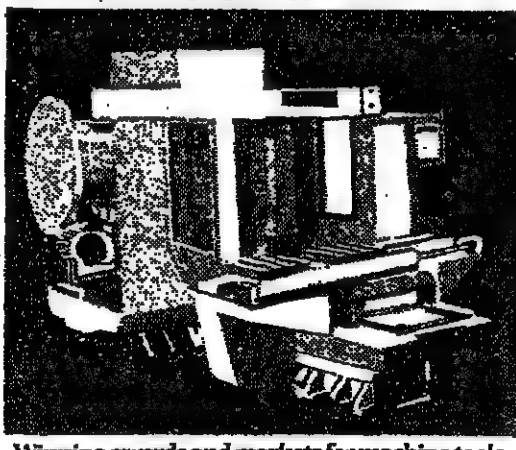
Engineering for a quick turnaround in Hong Kong. This 45-tonne moving turntable for the new Hong Kong Mass Transit Railway System is one of the many world-wide engineering projects to which our Design and Projects Division is contributing engineering products and know-how.



We've added our skills to the power of the press. High-quality printing, speed and economy are the qualities customers demand from printers—and the Sovereign Press from Crabtree-Vickers is providing just these advantages to the printing industry itself.



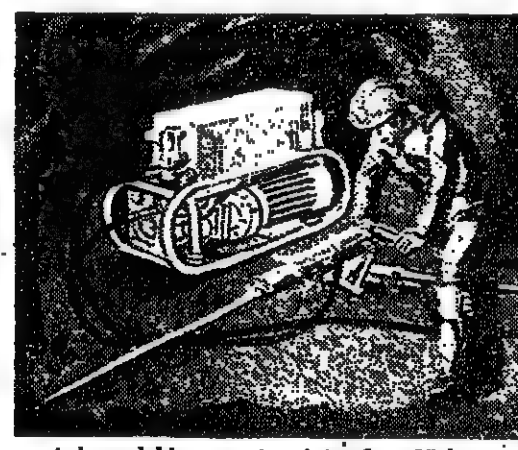
High-speed bottling is one of our lines. Many of today's best-known drinks are bottled on high-speed handling and filling lines produced by Vickers-Davson, and this is one of our big sales successes in UK and export markets.



Winning awards and markets for machine tools. The KTM 400, one of many high-technology automated machine tools from KTM, has won significant sales throughout the world and a Design Award from the Design Council.



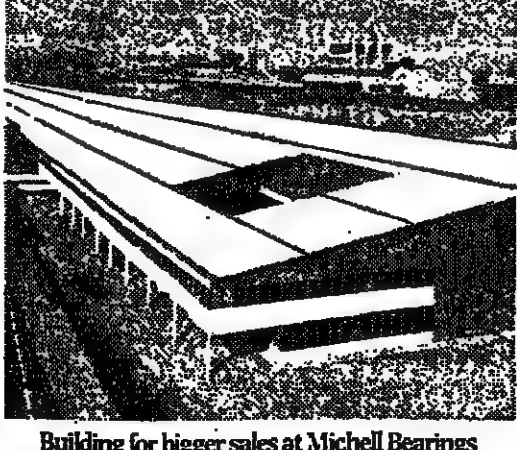
Handling nuclear projects throughout the world. Our products for research and commercial reactors include nuclear irradiation test rigs and remote handling equipment for use in radioactive environments.



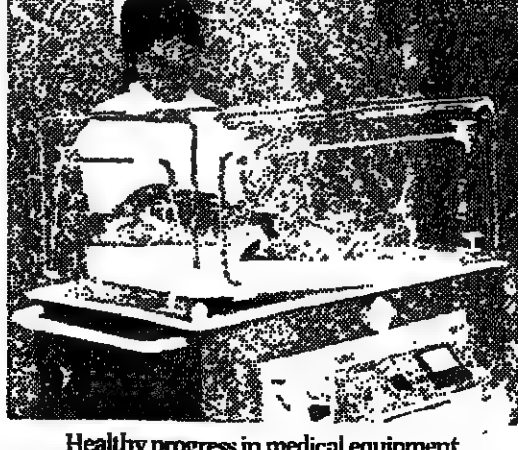
A dependable power in mining from Vickers. Safe, sure, dependable power for the coal face—and for many other exacting environments and industries—is provided by Vickers hydraulics equipment produced at South Marston, Swindon.



Part of our defence strength. Equipment for defence which is winning UK and multi-million pound export orders includes the Mark III Vickers Main Battle Tank and associated recovery vehicles.



Building for bigger sales at Michell Bearings. The recently completed £41 million development at the Newcastle plant of Michell Bearings is part of the expansion programme of a company which now sells over 30% of its output overseas in markets as varied as Canada, Denmark and Italy.



Healthy progress in medical equipment. Intensive care neonatal incubators from Vickers Medical have proved their value in competitive markets and other highly specialised equipment such as Isolator Tents and Hyperbaric Systems are saving lives and winning markets.

NUT probes delays on comprehensives

BY OUR LABOUR STAFF

THE National Union of Teachers England, 44 are now fully committed to examine the progress made by local authorities, towards fully comprehensive education in 1981, and another four in 1982, and to identify those authorities "pursuing delaying tactics."

The executive of the NUT, the largest teachers' union in the country with 285,000 members, has asked each of its 104 divisions to report on the progress of secondary education reorganisation in its area and whether any local authorities are dragging their feet.

The reports will also show the extent to which local authorities are continuing to contribute to independent schools and will inform the union of any attempts to disrupt comprehensive schemes.

Mr. Fred Jarvis, general secretary of the union, said yesterday that it was seriously concerned that some authorities were failing to meet their legal responsibilities. The union would consider how pressure might be applied.

Of the 97 local authorities in

The strength of the Vickers Engineering Group depends on far more than its wide diversity of products.

It is firmly based on the ability to build on strength in the areas we know, and from this comes our outstanding record of achievement in the world's most demanding markets.

We are currently supplying high technology machine tools to Scandinavia, medical equipment to the USA and nuclear test rigs to West Germany. We are also providing engineering know-how for major projects throughout the world through our Design and Projects Division.

To achieve these successes we are building in other ways. The recently completed £41 million development for Michell Bearings in Newcastle, and a new multi-million pound investment in our engineering facilities at South Marston are just two such developments in the Vickers Group.

All of which increases our contribution to the economy and gives more work for suppliers and more scope for further growth and sales.

The Engineering Group in the UK is one of the six operating groups of Vickers which cover Offshore Engineering, Roneo Vickers

Office Equipment Group, Howson-Algraphy lithographic printing plates and supplies, and Engineering in Australia and Canada.

However diverse their products, all these groups have one thing in common—they are building on strength to win even bigger sales successes tomorrow.

VICKERS
Building on strength.
Vickers Limited, Vickers House, Millbank, London SW1P 4RA

Unions give pledge on Times supplements

TIMES NEWSPAPERS said yesterday that its three weekly supplements would continue to be printed and published in London after receiving assurances of uninterrupted production from the unions involved.

The company had told the unions on July 4 that unless they gave the guarantees, printing and publishing of the Times Educational, Higher Education and Literary Supplements would be transferred outside London.

In the first 26 weeks of this year 17 issues of the supplements have been affected by lateness or industrial action.

Yesterday the final assurance was received on future production.

The unions principally involved are the National Graphical Association, the Society of Graphical and Allied Trades and the National Society of Operative Printers, Graphical and Media Personnel.

The company said: "We are encouraged that the unions have recognised the seriousness of the situation and have taken positive and constructive steps to stop the pattern of disruption that was endangering the supplements' future."

The assurances do not affect the notice given by the company to suspend publication of the Times, the Sunday Times and the three supplements on November 30 unless the unions guarantee industrial discipline.

ANOTHER 100 men have been laid off at the Government's Royal Ordnance factory at Birtley, Tyne and Wear, bringing the total sent home to 700, because of a two-week pay strike by 400 inspectors.



STAPLE HALL

CITY OF LONDON EC3.

A superbly refurbished office building of
56,000 sq. ft. approx

One of the few buildings of this size currently available

- * AIR CONDITIONED. * FULLY CARPETED.
- * MARBLE LINED ENTRANCE HALL.
- * ACOUSTIC TILED CEILINGS.
- * DESIGNED FOR MAXIMUM FLEXIBILITY OF LAYOUT.

A development by the Abbey Property Fund

Full details from

DE GROOT COLLIS

183 MOORGATE,
LONDON, EC2M 6X3
01-628 4704

Why is Clwyd ten times more interesting?

Enquiries about industrial and commercial expansion in Clwyd have increased 10 fold over the last two years. Why? Because with its full Development Area status, its large, multi-skilled workforce, proximity to major markets and national/international communications networks, this progressive Welsh county dominates the regional development scene. The news in Clwyd is about sales, not strikes - and it's a great place to live too.

Talk to us about the low-cost sites, the factories and the extensive financial aid available to incoming industries - we'll make you a deal you can't refuse.

Contact Wayne S. Morgan, County Industrial Officer, Clwyd County Council, Shire Hall, Mold (tel. Mold 2121) for free colour brochure.

Heywood Industrial Estate, Lancs.

120,900 sq. ft.
SINGLE STOREY
WAREHOUSE
10 Loading Doors
2 miles M62
LEASE FOR SALE

GUEST & CO.
061-832 2888

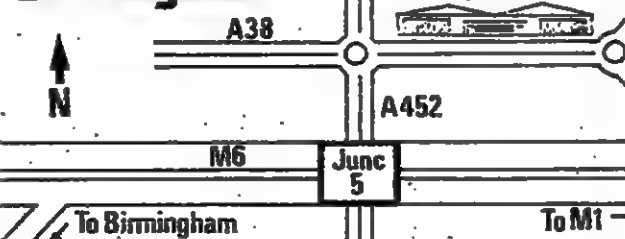
LONDON, W.10

Close Westway A40/3140
TRANSPORT DEPOT
WITH WORKSHOPS,
OFFICES, WAREHOUSE
AND YARD
Approx. 15,680 sq. ft.
FOR LEASE OR
FREEHOLD AVAILABLE
BRENDONS
1/3 Ashbourne Parade,
Ealing, W.5. 01-888 2711

FULHAM, LONDON SW6

Prestige Modern Offices
3,670 sq. ft.
Central Heating, Lift and
Car Parking
Daniel Smith, Briant & Done,
01-436 1335

MINWORTH INDUSTRIAL PARK Birmingham



WAREHOUSE/
INDUSTRIAL UNITS.
Immediate
Occupation.

- * 5,000 sq feet - 40,000 sq feet.
- * Eaves 22 feet.
- * Large service yards and circulation areas.

A Bryant-Samuel Development.

Phoenix Beard
15 Hanover Street
London W1R 9HG
01 493 4213

Grimley & Son
2 St Philip's Place
Birmingham B3 2QQ
021 236 8236

Sturgis

& SON PARK LANE

PRESTIGE

NEW OFFICE BUILDING

TO LET

PUTNEY, LONDON S.W.15

6,611 sq. ft. net

Full details and terms apply
61 Park Lane, W.1.

Telephone: 01-493 1401 Ref: MGS

HARROGATE N. YORKSHIRE

VALUABLE FREEHOLD GARAGE,
WORKSHOPS + SHOWROOM PREMISES

Some 5,000 sq. ft.

- * Excellent Showrooms
- * 7-Bay Service Workshops
- * Ample Stores + Offices
- * Covered Forecourt Free of Ties
- * Built to Audi/VW Specifications

0423-64251

Cluttons

20 Victoria Avenue, Harrogate HG1 5QY

2 Copthall Avenue EC2

16,466 sq. ft.
New Air-conditioned
Banking Hall and
Office
Accommodation
To Let

Close to Bank of England
Stock Exchange and
other major financial
institutions.

- Self-contained Building.
- Carpeted throughout.
- High speed lift.
- Bronze tinted solar glass.
- High Quality Specification.

St Quintin
Sons & Stanley

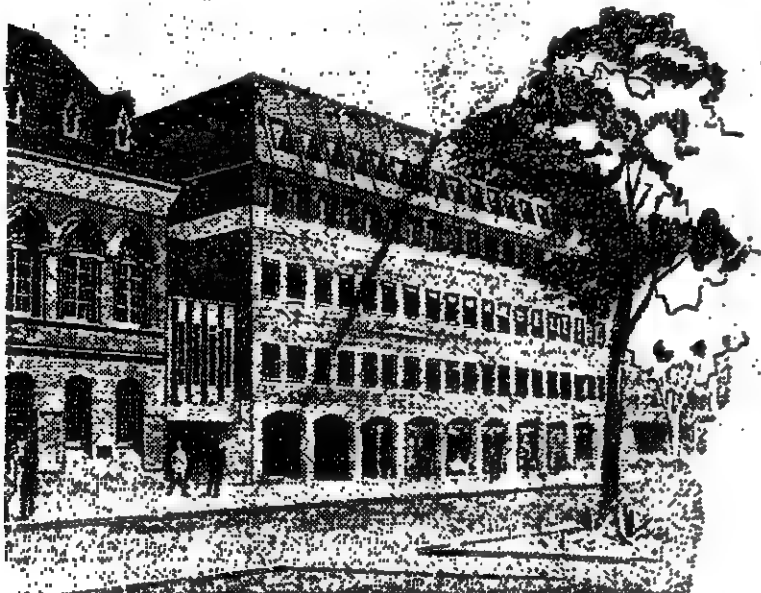
Chartered Surveyors
Vinty House, Queen Street Place,
London EC4R 1ES
Telephone: 01-236 4040

Richard Ellis

Chartered Surveyors
64 Cornhill, London EC3V 3PS
Telephone: 01-283 3090



Solihull



Central Area Phase III

**30,000 sq. ft. New Offices
To Let.**

Private Car Parking Facilities

Occupation Sept 1978

Joint Agents:

JONES LANG WOOTTON
Chartered Surveyors
103 Mount Street, London W1Y 6AS.
Tel: 01-493 6040. Telex: 885557.

Shipway Doble & Earle

Scala House, Holloway Circus, Birmingham.
B1 1EH. Telephone: 021-643 8822.



A LAING Development

**BATH ROAD (A4)
HEATHROW**

Airport 1 mile. M4 (junction 4) 1 mile

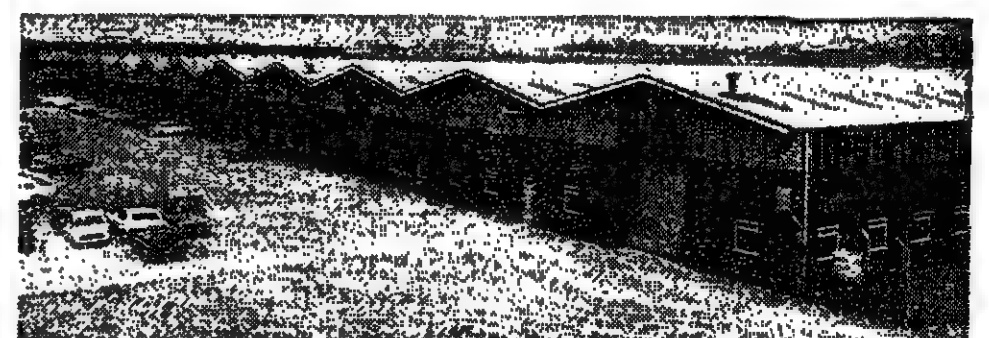
New Warehouses To Let
13,000-52,000 sq ft

Available November 1978

King & Co
Chartered Surveyors
1 Snow Hill, London EC1
01-236 3000 Telex 885485

By Direction of GKN Bolts and Nuts Ltd.

WEDNESBURY
West Midlands
BESCOT INDUSTRIAL ESTATE



EXCELLENT MODERN

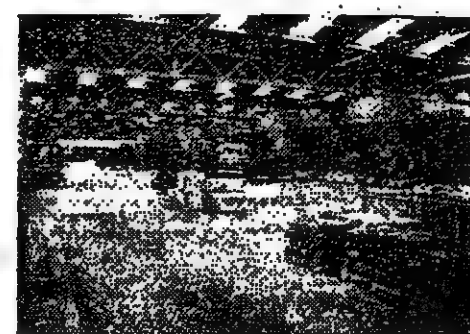
WAREHOUSE PREMISES

Together with adjoining OFFICE BLOCK

TOTAL NET FLOOR AREA: 276,000 sq. ft.

- Heating installed
- Excellent Offices
- Excellent Loading Facilities

- Lighting installed
- Extensive Car Parking
- Weighbridge



Lease for Sale Apply Birmingham Office Ref: FDD/RFM

78 Colmore Row,
Birmingham
B3 2HG
Tel. 021-236 8477

Parkside House,
51/53 Brick Street,
London W1Y 7DU
Tel. 01-499 9452

13 Horse Fair,
Banbury, Oxfordshire,
OX6 0AH
Tel. 0295 50484

**EDWARDS
BIGWOOD
& BEWLAY**

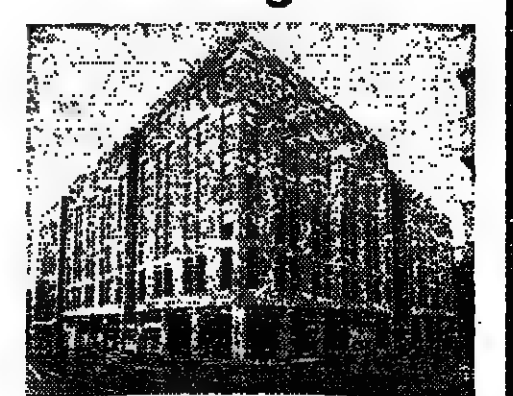
MANCHESTER

- City Centre location
- 51,000 sq. ft.
- Variable Air Conditioning
- Carpeted throughout
- Tinted spectra float glazing
- Natural York Stone facing
- Units from 5,000 sq. ft. available

suttons

60 Spring Gardens
Manchester M2 3BR
Tel: 061-832 3103

**Outstanding Offices
and
Banking Hall**



PROPERTY DEALS

Wingate to move OCL

WINGATE INVESTMENTS, Wimpey's property subsidiary, is to develop a 231,450 sq ft, 10-storey City fringe office complex for Overseas Containers.

On September 5, OCL, which has been looking for a new headquarters for some years, followed through an Office Development Permit for a scheme in Goodman's Yard by Fenchurch Street Station to the east of the City of London. It submitted a planning application to Tower Hamlets and to the City Corporation for the offices (250,000 sq ft of which will be occupied by OCL) and for 48 flats, squash courts, and a public house on the site.

In what must be one of the swiftest reactions to a planning application of this size, Tower Hamlets planning committee agreed to the proposals on Wednesday evening, less than a month after the submission of the scheme.

The committee agreed to the proposals even though the site lies outside the Council's designated office development areas. The fact that the development is not speculative, and the possible loss of 1,300 OCL office jobs to the borough, outweighed objections about the relatively low level of planning gain for the local community in the plans.

The City Corporation is expected to consider its portion of the scheme in the next two weeks. After that, the plans will have to be submitted to the Greater London Council and the Secretary of State for the Environment.

Lander Burfield, Wingate's advisers, make it clear that the scheme is still only in a preliminary stage. But as Wingate has options to acquire the portions of the site it does not already own, and is likely to enter into a form of partnership with British Rail on its section of the site, a clear run through the planning maze now could mean that work would start on the building next year with a completion date in 1982 or 1983.

Around 180,000 sq ft of offices in the proposed new building would be available for a tenant other than OCL, which would itself expect to temporarily sublet part of its 250,000 sq ft until its staff numbers increased. This additional office space would provide Wingate-Wimpey with two of the largest vacant City fringe schemes on the market by the early 1980s—the un-

used OCL block, and the second, 95,300 sq ft, stage of the Wingate Centre next door in the Minories.

Lander Burfield, which let the 66,000 sq ft first stage of the Wingate Centre to insurance brokers Bain Davies late last year, looks to an acute shortage of large City office units by the end of the decade and to a sizeable rise in rents. With that in mind the firm is not yet marketing the second stage offices.

George Trollope and Sons, who are acting for OCL on the development, will also have an interesting office sale on their hands if the scheme does go ahead. When it moves OCL is to sell its existing 128,000 sq ft Beagle House headquarters in Brahmah Street, Tower Hamlets.

COMMERCIAL Property Unit Trust, managed by Morgan Grenfell Property Services, has paid around £310,000 for a 15,700 sq foot warehouse development in Bath. Countryclass Investments scheme at Locksbrook Road, Bath has been pre-let, at an initial £23,500 a year, to E.R.D., a subsidiary of Thorn Electrical Industries. The sign-writers' friend Cuthbert Lake Clapham drew Gibbins and Pearce advised Morgans, and Connells introduced the fund to Countryclass.

INSURANCE BROKERS may be moving their main clerical staff eastwards in the City but offices within walking of Lloyds still command the top City rents. Dron and Wright are this week asking £17.25 a sq foot for Bland Payne's 7,550 sq foot underwriting suite at 19/21 Fleet Street, just opposite Lloyds. The 1885 block was refurbished in 1964 and the brokers will leave the offices for their new Mining Lane headquarters early next year.

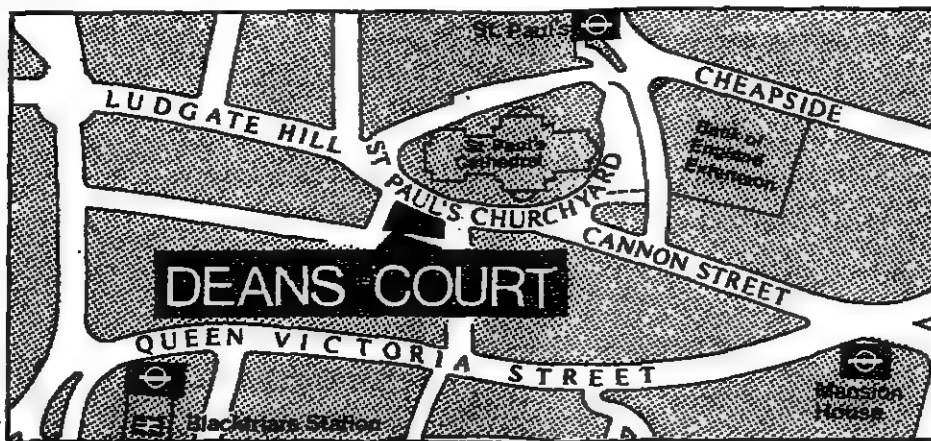
CHESTERTONS is to bring all its West End residential operations under one new roof from Monday when it completes the takeover of Hinton and Company. Tony Hinton is to become a consultant at Chestertons, and the firm's existing house sales staff will move from their Grosvenor Street headquarters to Hinton's former offices at 47 South Audley Street, Mayfair.

GREAT PORTLAND ESTATES has raised £3.8m from the sale of its 10.4 acre Uplands Trading Estate in Walthamstow, E17. Bush Boake Allen, the food flavours subsidiary of Albright and Wilson, bought the land and the 230,000 sq ft of assorted industrial buildings lying next to its present 9.1 acre site in Blackhorse Lane, Walthamstow. Bush Boake Allen, which signed the completion papers last Friday, is already one of the largest tenants of the estate and the additional space provides room for further expansion. Jones Lang Wootton advised Albright's subsidiary on the purchase.

Deans Court E.C.4

67,800 sq. ft.
commercial premises
fully modernised

TO LET



*Auto Lifts *Loading Bay
*Central Heating

74 Grosvenor Street
London W1X 9DD

01-491 2768

Cluttons

Factories and Warehouses

FACTORY/WAREHOUSE—485 Junction 22, M1, Wetherby, West Yorkshire. 10,000 sq. ft. plus ancillary offices etc. £105,000 Freehold. Deeds. 24 Clare Street, Bristol 1. Tel. 0272 28371.

BUSHP. Modern distribution warehouse of 5,000 sq. ft. plus 3,000 sq. ft. office. Excellent loading facilities and easy access to M40 and M42. Lease of 25 years with 5 years extension. Rent review 1980. Present rent £15,000 p.a. Premium required £20,000. Chamberlain and Bidderston Commercial, Tel. 01-886 2301.

WIMBORNE, LANCASHIRE. First class single storey factory with two storey offices. Floor area 70,000 square feet. Site area 4.2 acres. Central heating, sprinklers. Vacant possession, Freehold. For sale. Walker Wilson Hanson, Broad Lane, Bridgewater, Glos. Nottingham. Tel. 06021 8471.

TO LET

Close to Lincoln's Inn Fields Self Contained

FULLY AIR CONDITIONED
OFFICE BUILDING

11,800 sq. ft. (MIGHT DIVIDE)

Available for immediate occupation

- Double Glazing
- Fully Partitioned
- Fitted Carpets
- Prestige entrance
- Penthouse Flat

Parkside House 61/53 Brick Street
London W1Y 7DU Tel. 01-499 9452
Offices also at Birmingham and Banbury

EDWARDS
BIGWOOD
& BEWLEY

ACTON NW10

Single Storey

WAREHOUSE

20,822 sq ft

Tailboard Loading and Sprinklers

EDWARDS SYMONDS
& PARTNERS

Tel. 01-834 8454

56-62 Watton Road London SW1V 1DM

A FINANCIAL TIMES SURVEY

Forthcoming Property Surveys

OFFICE RELOCATION

Friday 20th October 1978

CITY OF LONDON

The provisional editorial synopsis and date are set out below

Date: Friday 24th November 1978

- INTRODUCTION
- RENTS
- DEVELOPMENT
- ARCHITECTURE
- RELOCATION
- PLANNING
- RETAILING IN THE CITY

For further information on advertising rates in this Survey

please contact: CUE Caunter

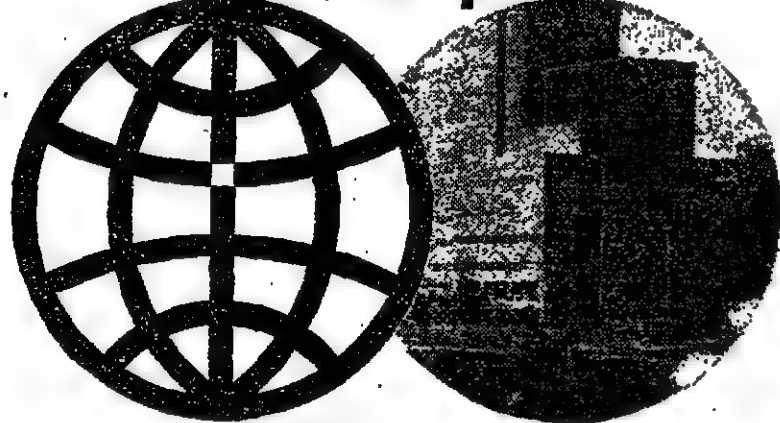
Financial Times, Bracken House

10 Cannon Street, London, EC4P 4BY

Tel: 01-348 8866 Ext. 224

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor

Meridian Point
Southampton

TO LET

37000 sq ft new office building
as a whole or in floors of 9250 sq ft
airconditioned double glazed ample car parking available



Joint Agents

Chartered Surveyors
40a London Road
Southampton SO1 2AG
telephone 0703 24545

Richard Ellis

Chartered Surveyors
6/10 Bruton Street
London W1X 8DU
telephone 01-499 7151

FOR INVESTMENT

Investment in
Châteaux Vineyards

One Premier Grand Cru and
two Grands Crus Châteaux
in the classic St Emilion District
of Bordeaux

For further details please contact
G. J. Akroyd in London 01-629 8171
F. R. Boutet in Paris 260 6906

Knight Frank & Rutley

20 Hanover Square, London W1R 0AH
16 Place Vendôme 75001 Paris

What's in
a name?

A name that's recognised can inspire awe,
envy or, in this case, confidence.

It's a name with a reputation for accepting
only the best, and maintaining the highest
standards. An assurance for the wine-buyer
that his choice has been expertly selected and
carefully shipped.

A very good wine reasonably priced.
Distinguishing it from the ranks of all the rest.

In other words, a name such as ours can
sometimes be all the guarantee you need.

Because when it says Bouchard Aîné on
the label, it says a lot for the wine.

read the small print first

Bouchard Aîné

Burgundy specialists and shippers of fine wine
13 ECCLESTON STREET, LONDON SW1
*Aîné denoting the eldest son of the family

THOSE REQUIRING
THE FT DAILY,
PLEASE SIGN BELOW:

Dare you
circulate this?

If you did, you'd probably be
amazed how many people would
want the FT—and quite rightly.

Shouldn't your departmental
heads and executives be as well-
informed as you are?

Make sure they all have their
own copies of the FT—every day.

In these competitive times
everyone in business needs the

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The Management Page

پاکستان ایئر لائنز

EDITED BY CHRISTOPHER LORENZ

Japanese executives abroad: learning some tough lessons

A JAPANESE executive working in the outskirts of London laments that his children would probably be excited about working in the very company which sent him here because they haven't been educated in Japan. His fears, quite justified by Japan's rigid social structure, are increasingly shared by young middle-aged Japanese businessmen with families working in foreign countries.

There are now 6,000-7,000 Japanese living in the UK alone. Japanese educators estimate that fewer than half of their children (estimated at around 1,200) are able to attend a school accredited by the Japanese education ministry. Around 70 per cent attend weekly classes to study the Japanese language, and the rest, particularly outside London, are dependent on correspondence courses, have regular access to video tape recordings of television programmes from the homeland—or tutors—to keep them from forgetting the national language.

The major concern of Japanese parents is that Japanese companies, some with impeccable images as international enterprises, remain extraordinarily conservative in recruiting their employees. While their executives and staff range far and wide in pursuit of overseas business opportunities, at home the only candidates for employment are school leavers who have properly passed company examinations during the last year of university.

The ambitious student who travels abroad for a year or two—even after graduating from a good school—will probably forfeit the chance of a job with a first-rate company which prefers someone who has come straight off the approved educational escalator. Japanese businessmen, with some co-operation from the government, helped establish a private school in London for children, but the school, in Camden Town, only accepts full-time students from their fourth to their ninth year of education (about 317 students at present), though Saturday language classes also handle 850 students from the first year of education to the twelfth.

There is one boarding school for Japanese children in the UK administered by Rikkyo University, a private institution in Japan, which has about 180 students. More than 100 of those are sent by education-conscious parents living outside the UK. The problem of education is felt most by executives between the ages of 35 to 45, with maturing families. Lower echelon staff are normally single, newly married, or have relatively young children, so that three to five years in a foreign country will not impair the children's ability to re-enter primary school in Japan before losing the crucial training which allows one to pass examinations that hold the key to future education and employment.

The critical point for a child is reached at about 14 years of age, when rigorous study is required to enter the right high school.

The general manager at a Japanese electronics company with a plant located in Wales, perhaps typifies the parent's dilemma.

With two daughters, 14 and 17 years old, he has enforced a strict rule of "Japanese only" at home. He imports several hours of Japanese television programming on video tapes each month, and supplemented his children's education (at local private-run schools) with tutors from time to time.

He will soon return to Japan after six years' absence, but the elder daughter will remain in the UK to complete her education. But the British school-leavers' examination will qualify her for only five private universities in Japan, most of which have strong international divisions. The younger daughter will have to do her best to catch up with her classmates back in Japan.

The plight of overseas businessmen has spurred considerable debate in Japan recently. The Government has been urged to establish more schools overseas for the families of businessmen and diplomats, but funding has been slow to come.

The need to become more cosmopolitan and "internationalised" is widely recognised by the Japanese themselves, who tend—as in most expatriate foreign communities—to associate with each other more than with the local communities. Understandably, however, few Japanese parents are willing to see their own children sacrifice a hard-earned place in society to achieve that goal.

Richard Hanson

How Pakistan's airline grew against the odds

BY DAVID CURRY

IN JUST four years Pakistan International Airlines (PIA) has travelled from virtual bust to boom. Now, despite the handicap of acute political uncertainty and an economy where miracles never happen, the airline is planning an expansion programme which aims to double its size by 1981 and sustain its claim to be the fastest-growing airline in Asia.

To do this it is buying both the European Airbus and 747 Jumbos. Depending on which of these two types becomes the pivot of the fleet, PIA could arrive in the mid-1980s with a fleet of up to nine Jumbos or as many as 17 Airbuses. Just five years ago the entire fleet consisted of 10 Boeing 707/720s and five Fokker Friendships.

That first great expansion plan was an act of faith. Pakistan had lost 55 per cent of its population and PIA half its business in Bangladesh. The airline had also crashed four aircraft in less than 12 months, was losing money heavily, was in dispute with its pilots and suffered a haemorrhage—like loss of skilled manpower (to Singapore Airlines in particular) and was producing a haphazard and slovenly service.

In late 1973 Air Marshal Nur Khan was appointed the airline's first full-time chairman—with sweeping authority. Almost a generation ago, he had served a term as chief executive of the airline but his chief asset was his reputation as a war hero in the 1965 Indo-Pakistan war. He made it clear that he was going to clean up the airline with military thoroughness, and he symbolised his intentions when he called the 10 directors into his office on his first day in the job and demanded the written resignation of them all.

He changed the management team, set targets of punctuality and service to be met within three months, introduced task forces to monitor progress and started talking with the pilots and unions.

Above all, he made an unequivocal commitment to growth which meant the airline and a technologically backward country would have to acquire the skills of the most sophisticated carrier.

During a period of severely depressed airline activity, from 1973-77, PIA sustained a growth rate of 29 per cent a year measured in passenger-kilometres: it managed to maintain the standards of performance set by Stanford Research Institute for areas like passenger handling, on-board service and meals; it assimilated wide-bodied 747s and DC-10s into the fleet and maintained them largely by its own means; it sustained an average punctuality of 80 per cent while expanding its route network substantially.

In the first six months of this year some 1.25m people travelled by PIA and the financial year to the end of June 1978 brought \$25m in net profits.

The next route expansion will be a link to Nigeria established

in co-operation with the Saudi airline Saudia—another example of exploiting the possibilities of oil-rich Muslim markets.

The changing nature of business since 1973 is startling: in 1973 the UK contributed 22 per cent of international passenger revenues and Europe and the U.S. together almost 46 per cent. That has now shrunk to 29 per cent compared with the increase in the share of the Gulf and Middle-East from 12 per cent to 34 per cent.

But all is not plain sailing. PIA faces a basic problem: although it is the airline of a developing country it has set itself to match the standards of the bus fare.

losses run from pilots (Saudi attempts them with offers of \$4,000-a-month salary plus house and car) to engineers, cooks and handling officers. Some senior managers could virtually write their own terms for moving to the Gulf.

A further difficulty is the need to carry loss-making domestic operations, even though growth here has averaged 20 per cent and local feeder-routes cannot be separated completely from international with justification. Despite a recent increase, fares are cheap—the air fare from Rawalpindi into the spectacular Karakoram range around Gilgit, an hour's flight away, costs less than the bus fare.

be delivered in March 1980 and one more later in the year. Options are for two more 747s and 6 Airbuses.

The Airbus choice was a difficult one to make. There were strong feelings in the airline that it would be wrong to add a new aircraft type to the fleet and that a wise decision would have been to opt for adding more 747s. However, the Airbus was the only specifically short-haul wide-bodied aircraft and the financial package was attractive. The drawback is that it has a critical range on some routes and is unable to take off from some airports in extremely hot temperatures with a full load.



PIA has so far bought two Boeing 747s with at least one more to follow next year



Air Marshal Nur Khan

serve these routes on which the airline claims to have been the first to introduce wide-bodied aircraft.

This market is the real money-spinner, accounting for more than a third of all passenger-kilometres flown. As the Gulf is relatively close, expatriate Pakistanis return home much more frequently (on average every 18 months) than their counterparts in the UK and Scandinavia (around once every four years) or those in North America where the mainly professional immigrants are much more closely assimilated into the local culture.

Pakistan's position as a staging post between east and west has also been exploited by the airline. The volume of passenger traffic to and from the Far East has grown from 83,000 four years ago to 250,000 a year now.

More than half the airline's business is still "ethnic," especially in the Middle East. But 80 per cent of passengers on the New York run and 90 per cent on flights to the Far East are non-Pakistanis, and the airline says it could expand these services if it could get the approval of the various national authorities.

The backbone of this service is the fleet of Fokker Friendships which this year is expected to lose \$1.5m. Both DC-10s and 747s are used on the more profitable domestic trunk routes—the Karachi-Lahore service carried some 350,000 people last year.

Finally, to some extent the airline has been caught short by the speed of its own growth: it has had to lease six 707s to boost its capacity—an expensive expedient.

Traffic

The new expansion plans entail a heavy programme of investment. In the period up to 1981, during which a 20 per cent annual traffic increase is expected on scheduled services, investment in aircraft will amount to some \$380m and in facilities to some \$75m. The present fleet consists of two 747s being bought from TAP; four DC-10s; 13 Boeing 707s or 730s; and eight Fokker F27 Friendships. There are also the six leased Boeings and one leased freighter.

Confirmed orders are for one 747 to arrive in July 1979 (and to be maintained entirely by PIA) and for three Airbuses to

There were huns at the time of the order that the Pakistan Government had preferred the Airbus to the Boeing option as a way of encouraging the French to go ahead with the contract to deliver a nuclear reprocessing plant despite U.S. opposition. Since it is not sure whether the new safeguards insisted upon by France are acceptable to Pakistan there remains the possibility that Islamabad may decide to cancel contracts awarded to French concerns in retaliation. At the moment the situation is confused.

On the other hand, since the main opposition to the contract came from the U.S. it would hardly be logical to switch an order from France to the U.S. by reverting to Boeings.

PIA has two game-plans for fleet growth. If the choice is made to maximise the 747, by mid 1978 the fleet would include six Jumbos, seven Airbuses, 730s, and eight Fokker F27 Friendships. The airline will also need to buy a small number of narrow-bodied twin-jets of the 737 type.

If the Airbus is chosen as the corner-stone of the fleet by the same date there would be nine

A300s but only four Jumbos while two DC-10 freighters could also have made their appearance.

Ultimately the Air Marshal contemplates dispensing with the DC-10s while the 707/720s will gradually be replaced—an expensive business since the latter are substantially written down in the books. The Fokkers will keep on flying with the job of opening up new domestic routes.

In any event the airline foresees a growth rate of 700 seats per year—translating into one Jumbo and one Airbus. By the early 1980s the three destinations of Jeddah, Dubai and Doha will be served by 747s while the Airbus is likely to take over Muscat, Doha and Bahrain, among others.

PIA is doing its best to catch up on infrastructure and facilities. Its reservations system will be computerised by year-end using the Atlanta-based Sita system before the airline's own \$10m computer system takes over later on. Money is being spent on a new Karachi city terminal and on a Jumbo hanger. The pilot training programme should have caught up with demand by 1980-81. A semi-automatic cargo complex is being constructed at Karachi and a pre-fabricated passenger terminal to take some of the misery out of domestic flights was recently completed.

Air Marshal Nur Khan does not look like a strong man. Relatively slightly built, with something of a melancholy expression, he owes his position (he was appointed by Prime Minister Ali Bhutto, now under death sentence) to his track record as a manager and the reverential loyalty he inspires in the airline.

He does not feel he will be with the airline for much longer. "I could leave or the General (the military ruler General Zia-ul-Haq) could sack me any day," he comments. "I was willing to take risks the first time I worked for PIA and I am willing to take the risks and the decisions now." He remarks, "But the airline needs a new personality. I'm getting a bit stale. We've got a strong management team—the question is whether a new chairman and the Government will keep it on."

Continuity of tenure has not, of course, been a recent feature of life in Pakistan.

Whether he goes or stays the Air Marshal will have left his mark on the airline. He has carried a poor country's flag into a field of high technology at a time when the country itself has suffered successive jolts to its pride and confidence. Perhaps his greatest success will lie in what happens after his retirement. He has set the next challenge. Whether the airline can rise to it without his own supervision will be the ultimate test of his record and Government recognition of the airline's national importance.

Catch more flights, more non-stops, more wide-cabins, from more cities to southern U.S.A. Catch the sun.

National Airlines.
81 Piccadilly, London W1V 9HF (01-629 8272).
National Airlines Inc. is
Incorporated in the State of Florida, U.S.A.
America's sunshine airline.

National Airlines

Set your sites on Fenland

A great place for industry to grow

The Fenland District is strategically located in north Cambridgeshire, close to the A1, and straddles the A47, the main link between the East Coast and the Midlands, with a first class port at Wisbech. The area contains much of the finest agricultural land in Britain. Fenland is an ideal place to live and work; there's also a wide choice of housing, together with schools, hospitals and other facilities. Result—Fenland is well placed for industrial and commercial expansion; major companies who have already set their sights here include Metal Box, Sillers, Smedley, Tarmac and McCain. And there's plenty of room for more to come. For further information, contact The Industrial Development Office, Fenland-Hill, County Road, March, Cambs. PE15 8NQ. Telephone March 2271.

Fenland District Council

Making the MOST out of work study measurement

AMID ALL the slanging over Ford's pay dispute, one issue to emerge from the Dagenham motion sequences which are reshaped stewards must be particularly familiar on many a shop floor: work study measurement. Replying to accusations that they were less productive than their European counterparts, the shop stewards complained that the workforce was consistently being subjected to work study.

A work study team can sometimes be the most unpopular people in any factory, especially if they are seen as "snooping" as they wend their way with stopwatch and clipboard.

As the emphasis on productivity deals, bogus or otherwise, is stepped up in this wage-round, H. B. Maynard, the management consultants, have just displayed a fine sense of timing by launching what they describe as a revolutionary development in work measurement.

Maynards claims that their new system, which they have spent eight years developing, can help increase productivity without upsetting industrial relations, and that it does not need a stopwatch. Called MOST—Maynard Operation Sequence Technique—the system was first used in Saab-Scania, the Swedish motor group, in the 1960s and was first introduced in the U.S. in 1975.

The management consultants explain that the system is based on two main considerations:

that manual work is performed by people following certain set elements or motion sequences which are repeated consistently; and that the majority of tasks call for the moving of an object.

Instead of measuring individual movements, MOST concentrates on sequences of movements. These are printed on individual forms on which an observer awards marks on a scale of one to 10, according to distances moved and the complexity of the movement. The total index numbers give the time for the job.

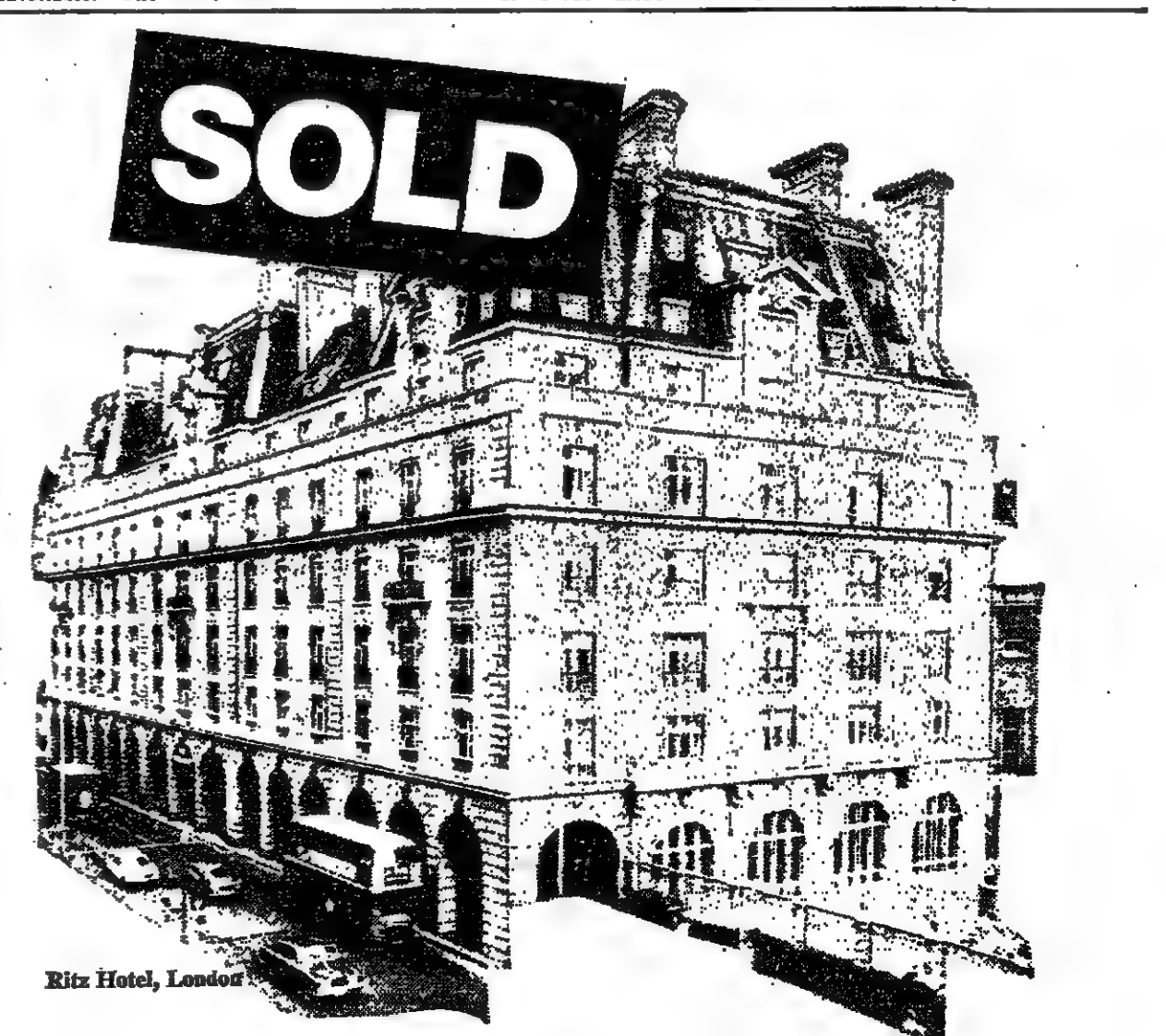
Maynard make some extraordinarily bullish claims for the system: that it is 40 to 50 times as fast in application as PMTS (predetermined motion time systems); 10 times faster and as accurate as simplified PMTS; and five times faster than the most common system, Time study.

MOST has been designed for simple comprehension and operation, according to Maynards, with complicated processes capable of being analysed in one or two pages.

Its simplicity enables the system to be quickly grasped and used by both line managers and union officials, according to Maynard. It is this which the consultants claim will make it not only acceptable, but welcome, to unions—though sceptics will doubtless point out that what is acceptable to American unions does not necessarily go down well in Britain.

Maynard's president, Laurens van den Muyzenberg, claims that "our experience in the U.S. and at pilot installations in Europe is of productivity increases of 20 to 40 per cent following the installation of MOST in what are considered to be top manufacturing companies. This increase has been accomplished without any investment in new equipment or sweat labour."

H. B. Maynard and Co., Berkeley Square House, Berkeley Square, London, W1. Tel: 01-491 3575.



Ritz Hotel, London

When it comes to selling, Edward Erdman and Company have sold some of the most distinguished properties in the country. Our services include not only disposal of property but also purchases, lettings and rent reviews, auctions, management, valuations, investment, regional planning,

town centre redevelopment, industrial consultancy and project management.

We make no particular claims and rely on reputation and record as a national practice which remembers the personal touch. Where partners still do the problem-solving.

Edward Erdman and Company · Surveyors

01-629 8191
6 Grosvenor Street,
London W1X 0AD

Edward Erdman and Company

Cinema

Powell the perceptive prophet

by NIGEL ANDREWS

Michael Powell
National Film Theatre
The Driver (A)
ABC Shaftesbury Avenue
Hollywood on Trial
ICA
The Odd Job (A) Columbia

Britain is not so rich in great film directors that it can afford to ignore plausible claimants to that title. Those unduly cynical might suggest that great British directors can be counted on the fingers of one finger, Alfred Hitchcock; and that even he has spent the last forty years in America, most of them as an American citizen.

In fact, there has been a cinematic genius living in our midst since the 1930s, but it has taken a country of Britain's critical myopia not to recognise him as such. Michael Powell is the film-maker who, mostly in collaboration with his wife, the writer-director Emile Press, has made such movies as *The Spy in Black*, *The Thief of Baghdad*, *The Life and Death of Colonel Blimp*, *A Matter of Life and Death*, *Black Narcissus*, *The Red Shoes* and *Peeping Tom*.

"Such films as" is an odd phrase when applied to such a head-spinning razz-dazz of entertainments as the above, but Powell's genius lay in his ability to express a personal vision through a vast range of subjects. To my mind he is not only this country's greatest director—occupying a throne voluntarily relinquished by Hitchcock in the 1930s—but he is also the cinema's most perceptive, prophetic analyst of British character. Prophecy is proverbially doomed to a cool reception in their own countries; but years of critical disregard are now partly atoned for by a full-scale retrospective at the National Film Theatre. Better late than never, but still rather late; and I'm not sure that a season of Powell's work should not be permanently on view, in patriotic repository, the cinema's equivalent of the Royal Shakespeare Company.

If anyone thinks I am being reckless in my enthusiasm, let

him turn up at the NPT most evenings during the next month and see for himself. What no one could dispute is that Powell is a dazzling stylist. He bent the almost inimitable resources of early Technicolor to his own artistic purposes, and films like *A Matter of Life and Death*, *Black Narcissus*, and *The Red Shoes* are feats of colour: never crudely applied, their exuberance always harnessed to the meaning of the shot or the sequence. Powell owns, among other foibles, to being an opera fanatic, and something of the fabulous folly of opera as an art form communicates itself to his films. Where so much British cinema is characterised by a dour, chastened understatement—the Grierson documentary and its heritage—Powell's hyperbolic vision is like a—freshening hurricane.

What are the ideas and personality that link films as diverse as *The Red Shoes* and *The Thief of Baghdad*? The answer lies in the half past two of Powell's war-time masterpiece, *The Life and Death of Colonel Blimp*, for example (now restored by the British Film Archive from a standard version two-thirds that length), begins as a recreation, precise to the last drop of the moustache and twinkle of the bald pate, of David Low's war-time caricature of British jingoism. But by a subtle process of humanisation, using flash-backs to Blimp's youth, Powell at once "explains" and vindicates many of Blimp's attitudes. The film, bit, or threatened in bit, so many reader nerves in 1943 that Churchill wanted its production halted and sent out copious memos to that effect. But Powell's film rode out the political storm and proved itself at once much less and much more than a virgile squib thrown at the Establishment.

I could go on about Powell, and often I have to be tied down to him. But there is space here only to urge you to frequent the season, and in join in the work of revaluing and reinstating the British cinema's greatest neglected genius.

I don't think Hill himself made up his mind on the matter. The Driver is an anti-Communist thriller, hedging its box-office bets by trying to be a film noir and an action spectacle at the same time.

David Helfern Jnr's *Hollywood on Trial* is a feature-length documentary about the dramatic film industry's embroilment in the post-war anti-Communist witch-hunt. Footage from the original hearings before the House Un-American Activities Committee are cross-cut with interviews with surviving members of the "Hollywood Ten", the ten film-makers who were questioned on their association with the Communist Party and refusing to answer with a straight yes or no, incurred "contempt" charges and were sent to prison for a year. (They were thereafter blacklisted by Hollywood until well into the 1960s.) Among them are screenwriter Dalton Trumbo, who has remained steadfastly and vocally anti-AC and anti-McCarthy; director Edward Dmytryk, who after release from prison gave information to the hearings on his feelings on Communism; and screenwriter Ben J. Warrner, who has been a vocal and vocal supporter of the Communist Party. The film is a masterpiece of editing, and the editing is superb. It is a fascinating film: not least for its early glimpses of high-ranking Hollywood actors and producers faltering their way through the real-life drama of the post-war anti-Communist witch-hunt. In his Mr. Deeds persona, telling the committee "I am an actor (sic)!" and confiding to them that Communism, in his mind, is "not on the level." Jack L. Warner gets hopelessly tied up trying to explain "ideological" terms from a scripted speech. Louis B. Mayer gets tetchy. And Robert Taylor is suave, handsome and effeminate, as if he had delegated a substitute from Madame Tussauds. Funny, cautionary and compulsively watchable, the film shows at the ICA from next week.

Finally, and briefly, *The Odd Job*. This weebeegone British farce stars Graham Chapman, former Monty Python stalwart, as a London businessman driven to thoughts of suicide when his wife leaves him. He hires an "odd-job" (David Jason) to murder him—at any moment of the man's choosing—only stipulating that the murder must be swift and unexpected. Unfortunately, Chapman changes his mind about dying, but cannot convince his would-be assassin that the contract is off.

Cue for an ongoing farcical situation, one would think, with many misunderstandings and comically abortive murder attempts. Unfortunately, the film prefers to run about like a decapitated chicken, flapping its wings and making vestigial squawks, and displaying no sense of direction whatever. Chapman has some good moments of droll postmodernity, and David Jason, pop eyes and overplanned accent, emerging from a huge trenchcoat, is almost funny as the assassin. But the rest, co-written by Chapman and Bernard McKenna and directed by Peter Medak, is undisguisedly terrible.



Deborah Kerr and Roger Livesey in 'The Life and Death of Colonel Blimp'

Theatre Royal, Nottingham

Die Zauberflöte

by RONALD CRICHTON

To tour the Glyndebourne natural comic quality needed to *Zauberflöte*, new last season, with David Hockney's dazzling quick-change gauges and drop curtains, was a brave decision. The older and larger theatres in the regions, though some of them (the Nottingham Theatre Royal being a shining example) have been modernised, are hardly stuffed or equipped to cope with such a show as this. In Nottingham the risk paid off. On Wednesday *Zauberflöte* went without visible hitch. And at least until it is cast with a bunch of major talents (something like this summer's galaxy at Salzburg) unlikely to fall within Glyndebourne's grasp, this production's strong visual impact will be the deciding factor.

There are few artists working in the theatre today, whether painters or full-time stage designers, capable of making and producing anything but a continuously stimulating. But the Hockney designs do not make an easy background for young singers with still-developing personalities. Wednesday's cast (there are alternatives for most of the leading roles) did pretty well on the whole. Though his entrance is killed by a too brilliant red cloth draping the hind parts of the lion dancing, the chori, Willard White, nobly sang and spoke. Sarastro was graced by any number of the Speaker of the Temple who expounds Sarastro's doctrines. Henry Herford showed that great weight of tone is not necessary when the understanding is there.

For the rest, the Glyndebourne virtues of thorough preparation were at hand. The Queen of the Night was an American visitor, Sunny Joy Langton, one half of an exchange scheme between Glyndebourne Touring Opera and Houston—the English baritone Phillip Bromley will spend some months with Houston during this winter. Miss Langton released her fireworks with himpid accuracy but the result was more soothing than evocative or dramatic. Richard Jackson's Papageno, most sensitively sung, sought in vain for the stops.

The Tainino and Pamela were recent prizewinners. Richard Berkeley Steele (Leverhulme Award, 1976) bore himself well and knew his part thoroughly but was hindered by a lack of body in the tone. Helen Walker (GTO Singers Award, 1977) has plenty of voice and except that the tone never really cleared, used it to musical effect. She needs to relax: Pamela is a deep girl but there is fun in her too. Miss Walker's smiles were few and shy. The trio of Queen's Ladies and Spirits (the latter still in their improved gym-kits) has been improved since the Festival. The chorus was pre-arranged. Both in cost the previous evening and in *Die Zauberflöte* one lusty soprano kept on catching the ear—probably a matter of placing.

Gus Mostart has reproduced John Cox's staging for the tour. One suspects that Mr. Cox's main work in this case was done in the various phases of collaboration with the designers to make the production look more positive than they did on the Glyndebourne first night. Nicholas Braithwaite conducted the Bournemouth Sinfonietta. The playing had merits not always found under touring conditions—precise, well-tuned chording (vital to this opera) high among them. That there was little sparkle or tenderness may have been the fault of the Theatre Royal acoustics, which from the stalls are terribly dry. Leisurely tempo: which under other circumstances might be revealing. Grand Opera this winter. Miss Langton released her fireworks with himpid accuracy but the result was more soothing than evocative or dramatic. Richard Jackson's Papageno, most sensitively sung, sought in vain for the stops.

Cologne

Moses und Aron

by ELIZABETH FORBES

With one of the finest choruses in Germany and an orchestra—especially since John Pritchard took over as chief conductor—responsive to the most stringent demands made on it, Cologne City Opera has better equipped to tackle Schoenberg's misanthropic masterpiece than many other larger or grander opera houses. By lifting the conflict (if such it can be called) between Moses and Aaron from its biblical context, Hans Neugebauer, the producer, has sought to universalise the irreconcilable differences in the two men's characters that lie at the heart of Schoenberg's opera.

Certainly the problem posed by the unfinished state of the last act is underlined by this production. Though the programme prints the entire text of Act 3, with its final victory for Moses, the performance stops short at the end of Act 2, with Aaron in the ascendancy; one is left with the suspicion that Schoenberg himself feared what Herr Neugebauer so ably demonstrates: the glo-tongued Aarons of this world usually triumph over their worrier but tongue-tied brethren. Moses' despairing cry, "O word, thou word, thy lack makes a shattering climax in this context."

Achim Freyer sets the work in a square, sand-coloured box, not only the canvas walls of the box but the entire cast's clothes—neat business suits or blouses and skirts—wigs and make-up are also a sandy shade that the lighting, masterly throughout, turns to gold during the second act. Apart from a few props, a cable-drum, a fallen telephone pole, a heap of planks and the pedestal bearing the Golden Calf, the stage is bare. The chorus tends to hug the walls of the box, except in moments of particular tension, movements are stylised, though in the drunken and erotic orgies explicit enough. Naked virgins cause few eyebrows to rise these days, and shocks must be more subtly administered, as when the Elders (seven representing 70) temporarily abandon their card game and, deputising for the Tribal

chiefs, strangle the Youth with their neckties. Aaron performs his miracles with barely-concealed scorn for the credulity of a people that can be taken in by such obvious conjuring tricks. Moses, reluctant, parting with his walking stick or obediently holding up his leprous hand, is visibly appalled but powerless to stop Aaron when he himself has failed to convert the people to his unimaginable God. The protagonists are strongly cast: William Lewis as Aaron presents the perfect adman or deferential PRO, assured, never at a loss for the appropriate word. He sings his intricate, marvelously expressive vocal line with apparent ease, negotiating the high tessitura securely and projecting his words clearly.

As Moses, Rolf Boyesen also gets the text across with force and clarity. His speech, heightened by a few notes of the choir, is not therefore the less impressive. None of the other soloists has much chance to shine individually, but Barbara Daniels (a young girl), Jean van Ree (a young man) and Takao Okura (a priest) make the most of their opportunities. The chorus sings with energy, accuracy and precision; the various strands of vocal line remain amazingly clear and un-muddled. The same qualities apply to the orchestral texture, often delicate, frequently searing in its intensity, always limpid. John Pritchard, on whose close rapport with Cologne's Gürzenich Orchestra I have commented before, works a miracle with his baton far outclassing any attempted by Aaron.

Casting for Pinter's 'Betrayal'

Harold Pinter's new play *Betrayal*, will open in the Lyttelton Theatre on November 15 (previews, November 10, 11, 12, 13). Michael Gambon has been engaged to join Daniel Massey and Penelope Wilton in the principal roles, in a production to be directed by Peter Hall and designed by John Bury.

Festival Hall

Daniel Chorzempa

by NICHOLAS KENYON

We have heard all too little of our counterpart in the slightly drier Chorzempa's idiosyncratic music-making in this country recently. After a spell of over-exposure nearly 10 years ago, when he became known to audiences as a brilliant virtuoso organist with the fastest Bach D major Fugue in the business, he has been travelling the world—not only as an organist, but as a pianist, a composer (trained in the electronic studios at Cologne) and a director.

Perhaps the reputation for flamboyance is one that Chorzempa has come to dislike. At any rate, his early evening recital on Wednesday at the Festival Hall was a rigorously disciplined affair. The discipline suited Bach's C minor Prelude and Fugue admirably: a deliberately paced performance allowed the full weight of the antiphonal chords in the prelude to be heard (Chorzempa is a master of the precisely-timed release of the organ keys), and enhanced the accumulated weight of the five-

kovich showed Jansons in a better light. It was rigidly expounded, and allowed to melt nowhere; but the icy conviction of the reading was impressive. The tempo-relations were sometimes surprising, but they were sharply effective—though surely the tension ought to be relaxed at the close of the first movement more than it was here. No snooks were cocked in the Scherzo, which wore a fixed grin. The orchestral textures—"strata" rather, as with rocks—were made flawlessly lucid throughout. Jansons displayed a headily perceptive view of the work, and its cheerless impact was remarkably strong. What ever happened to Soviet optimism?

Leningrad Philharmonic

by DAVID MURRAY

There was an unaccustomed hard glare about Wagner's *Niebelungen* Overture on Wednesday, though few in the audience will have taken it for Berlioz's "Roman Carnival." (The posters about the hall still promised the latter work; but the programmes got it right, but yet again the Festival Hall ran out of them before the concert began.) Whether that represented the Russian manner in Wagner, or the particular Leningrad sound, or just the style of the conductor, Mariss Jansons, was hard to say. Certainly the Leningrad Philharmonic is a shifty disciplinarian body, and its trombones have a menacing snarl. They all play with precise collective intensity—the sharp-focus unanimity of the cellos and basses was notable and Jansons, at least, an absolute mind of music.

In Chalkovsky's Violin Concerto the soloist was Victor Tretakor, sweet and even of tone, holding the lyrical centre of things quite alone. Such assistance as Jansons gave him was ill-judged. In one way the conductor was too scrupulous, banking the orchestral fires as if every note were too precious to risk covering; in another, he was an unsympathetic time-keeper, his inflexible beat regularly breaking any excitable surge by the soloist. Anyone who expected a riot of Shostakovitch, even in the Finale, must have been disappointed.

The Fifth Symphony of Shostakovitch was excellent.

Moroni exhibition at the National

The first-ever exhibition specifically on the works of Giovanni Battista Moroni opens at the National Gallery on November 8, and continues until January 8. It commemorates the 400th anniversary of the death of this North Italian painter.

Moroni, who became a local hero almost immediately after his death, worked mainly in Bergamo and Brescia. The exhibition will concentrate on his portraits, at which he excelled.

Vaudeville

An Evening with Dave Allen

by B. A. YOUNG



Dave Allen

I suppose most of the people likely to be tempted to an evening with Dave Allen will know already what he is like and what he does, and the stage show is much like the TV, except that he does it longer, more than two hours on the trot. For those who need to be put into the picture, he strides on to an empty stage surrounded by black drapes, thanks us for applauding his entry and, standing sideways-on so that he can lean his left elbow on the microphone stand, gives us through a microphone his simple, disrespectful ideas about whatever seems to come into his mind. He gives us his ideas about drink, statisticians, television advertisements, mothers, sex aids, men with their flies open, conformity, dogs, cats, politicians, realists, Ian Paisley, the Irish, the Jews, birth control, the Pope, the Queen, God, the Old Testament and so on. He has an explosive delivery that sends the 's' and 'p' popping out of the speakers like backfires. You must describe his choice as the subject of a topical saloon-bar conversation, and his treatment

is a saloon-bar treatment, never intellectual, seldom witty, often abusive, pouncing sharply on emptying ambiguities, occasionally venturing on an anecdote, one of which I remember from a film shortly after the war, in which I think by T. E. B. Clarke.

If you want to gauge the standard of taste, I must report that there is a good deal of reference to the less public parts of the body and their functions, and that almost at the moment when Pope John Paul was being laid in his tomb a lot of merriment was made about Pope. We should have a black Pope, says Mr. Allen, Pope Rastus I.

The standards are not those by which I choose to live, but no doubt I am old-fashioned, and I am sure that the standards of the audience, and even clapped as if we were all in some great saloon-bar together, together mocking the events of the day. An evening with Dave Allen is clearly just the thing for those who believe that the speakers like backfires. You must describe his choice as the subject of a topical saloon-bar conversation, and his treatment

Zambia Copper Investments Limited

INCORPORATED IN BERMUDA

Extracts from the review by the President, Dr. Z. J. de Beer

The price of copper has remained depressed throughout the year under review. In consequence, neither Nchanga Consolidated Copper Mines Limited (NCCM) nor Roan Consolidated Mines Limited (RCM), in which your company holds 49.9 per cent and 12.55 per cent of the equity respectively, was in a position to declare dividends during the year. ZCI's total dividend, interest and other income, amounted to US\$2.04 million, while profits of US\$0.12 million and US\$28,000 were recorded in respect of currency fluctuations and the redemption of loans. After deducting administration expenses and interest payable of US\$0.92 million, the profit before taxation and extraordinary items amounted to US\$1.12 million compared with US\$1.88 million in 1977. After deducting foreign taxation of US\$0.58 million, the profit before extraordinary items amounted to US\$0.74 million, compared with US\$1.18 million in 1977. The deficit on extraordinary items, amounting to US\$21.53 million, was covered by unappropriated profit brought forward of US\$13.12 million and a transfer from share premium of US\$0.17 million, leaving unappropriated profit carried forward of 30th June 1978 of US\$0.33 million. The deficit on extraordinary items related in the main to the provision of US\$19.89 million against the investment in Botswana RST Limited (BRST), and BCL Limited (BCL) and against the loans to BRST. Shareholders will recall from my review last year that an amount of US\$20.0 million was provided against a possible diminution in the value of the investment in and loans to BRST at a time totalling US\$38.03 million. This provision, together with the US\$18.89 million provided this year, means that ZCI's entire investment in BRST and BCL, together with the loans to BRST, has been fully provided for. Only the senior unsecured loan to BCL, amounting to US\$0.7 million, is not fully provided for. In this regard, shareholders will recall from the circular with date of 10th April 1978, which gave full details of both the restructuring arrangements for BRST and BCL and of the consequential adjustment in the relationship with Minorco, that the directors warned that it might be necessary to provide in full against ZCI's investment in and loans to BRST and BCL. After careful consideration and in the light of the continuing depressed price for copper and nickel, and the loss of P\$8.5 million recorded by BRST for the year ended 31st December 1977, they have decided that it is necessary to make such a provision. The balance of the deficit on extraordinary items relates to losses on certain assets resulting from the devaluation of the Rhodesian dollar and Zambian kwacha during the financial year, and the write-down of certain Zambian assets.

The balance of dividends declared by NCCM and RCM prior to December 1974, amounting, together with accrued interest, to the kwacha equivalent of US\$6.65 million, is still awaiting externalisation from Zambia.

Copper market

There was little material change in the state of the world copper market during the financial year under review. Prices remained generally depressed in the face of substantial world copper stocks, and a lack of concrete evidence of a recovery in the economies of the industrialised nations. London Metal Exchange (LME) stocks rose from 598,000 tonnes in mid-1977 to 941,000 tonnes by the year-end, while LME prices declined from £704 per tonne in July of last year, to £665 per tonne by the end of 1977. World copper stocks at that time were estimated at some 2.3 million tonnes.

During the first half of 1978, certain events affected the international copper market, but, apart from temporary increases in the price, these do not appear to have had any material effect on the overall situation of over-supply. Although a proposal for a 15 per cent cutback in production failed to gain support from Chile at the December 1977 conference of the Inter-Governmental Council of Copper Exporting Countries (CIPEC), in early 1978, Zambia, Zaire and Peru announced a 15 per cent cutback in production. In March of this year, Zambia declared a 15 per cent force majeure reduction in deliveries of copper for the remainder of the year due to congestion at the Tanzanian port of Dar-es-Salaam and rail transport difficulties. The invasion of Zaire's Shaba province by secessionist forces in May of this year led to a severe devaluation of that country's copper mining industry, and resulted in a 50 per cent force majeure declaration. Although it appears that production has been restricted, it is likely that Zaire's output will be restricted for some time. While the foregoing reductions in output have contributed to a decrease in world copper stocks in 1978, they have not brought supply and demand into balance, nor caused any material increase in the price of copper. At the time of writing, it is not possible to predict with any accuracy when such an increase might occur.

The Zambian mining industry

In the light of all the adverse circumstances, the performance of the industry during the year under review was no worse than was expected. NCCM produced 377,156 tonnes of finished copper in the year to 31st March 1978, compared with 427,810 tonnes in the previous financial year. RCM's production during the twelve-month period to 31st March 1978 amounted to 262,649 tonnes, or 10,896 tonnes less than production in the comparable period in 1976/7. Since the copper price remained depressed, both companies were obliged to increase their total borrowings, predominantly from government sources. Operating results continue to be adversely affected by an increasing shortage of experienced staff and a lack of essential imported equipment and spares. The congestion at Dar-es-Salaam, together with considerable rail transport difficulties, continue to be matters of considerable concern. In the face of the foregoing, both companies have implemented detailed programmes designed to decrease expenditure. The programmes involve such measures as the rationalisation of mining operations, detailed reviews of operating costs, reorganisation of labour, reduction in stores, and a general cutback in capital expenditure programmes.

In March 1978, the Zambian kwacha was devalued by 10 per cent as part of the agreement whereby the International Monetary Fund is providing Zambia with financial assistance totalling SDR 315 million, equivalent to approximately K22.6 million. Under the agreement conditions which the mining industry has been requested to meet include an increase in productivity to the extent that NCCM and RCM at least break even by the end of 1978, a limitation on borrowings from the Bank of Zambia and the production of 670,000 tonnes of copper during the calendar year.

The devaluation of the kwacha will assist the companies' return to profitability in that currency, but higher costs will be encountered as a result of the increased cost of imported items. It has also been necessary for NCCM and RCM to make special devaluation charges amounting to K16.3 million and K7.1 million respectively.

At NCCM, the 12 per cent reduction in production is attributable in the main to the loss of skilled and experienced personnel and shortages of spares. These factors resulted in poor maintenance of major treatment plants, which led to reduced rates of recovery. Periodic acute shortages of essential supplies also adversely affected the availability of plants. Copper sales totalled 364,560 tonnes compared with the previous year's figure of 425,831, with an average realisation of K1,002 per tonne compared with K1,072 per tonne in 1977.

Botswana RST Limited (BRST)

ZCI holds an 11.75 per cent interest in BRST, which in turn holds 85 per cent of the equity in BCL. The balance of 15 per cent in the equity of BCL is held by the Botswana Government. Shareholders were informed in detail in the circular to members dated 10th April 1978, of the restructuring arrangements for BRST and BCL and the consequential adjustment in the relationship between ZCI and Minerals and Resources Corporation Limited (Minorco), which holds some 49 per cent of ZCI. The adjusted relationship is governed by an agreement between the two companies dated 16th March 1978, and the action of the directors in entering into this agreement, and in arranging for ZCI to co-operate in and assist in the restructuring of BRST and BCL, was approved by a special general meeting of members on 2nd May 1978.

Future prospects

The financial position of the company remains serious. No dividends have been declared by either NCCM or RCM since 1974, and balances of dividends, amounting, together with accrued interest, to the kwacha equivalent of some US\$6.65 million, declared earlier by these two companies, are still awaiting externalisation from Zambia. World copper stocks remain high and the level of demand depressed. It will require a sustained period of substantially higher metal prices before NCCM and RCM will once again be in a position to declare dividends, and such a recovery will only occur when the world's industrialised economies move into a strong and sustained expansionary phase. At the time of writing, no such development can be clearly foreseen and the prospects for an early recovery in the company's fortunes remain bleak.

Copies of this review and the report and accounts are obtainable from the London office of the company at 30 Holborn Viaduct, EC1P 1AJ or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY
 Telegrams: Finantime, London FSA. Telex: 586241/7, 583997
 Telephone: 01-248 8000

Friday October 6 1978

Dollar doubts intensify

THE RENEWED fall in the dollar in the last few days is potentially the most disturbing development in the whole protracted crisis of the U.S. currency, because for the first time it is taking place against a background of reasonably determined domestic action in the U.S. to correct the situation. It now seems that persistent portfolio switching by central banks outside the main industrial countries—mainly by some Communist countries and some in the developing world—is partly responsible for the persistent selling pressure. This is being met, reluctantly, by renewed intervention by the countries most concerned with the over-valuation of their currencies; but as experience with sterling has shown, portfolio pressure is hard to stop.

Unsophisticated

As with sterling, portfolio selling has developed remarkably late, and when the currency concerned appears if anything undervalued; but unfortunately the trouble is not being caused by sophisticated speculators, who might be expected to change their view rapidly as new evidence appears. The authorities concerned have had the unhappy experience of watching the value of their dollar reserves fall heavily over recent years, and are naturally anxious to reduce their exposure to risk in any one currency.

In addition, their reserve needs have changed. Current dollar are now pegged to the SDR or to some other unit defined in terms of a basket of currencies, and these currencies may be required for intervention. In addition, there is a growing weight of international debt denominated in currencies other than the dollar—partly the result of efforts by strong-currency countries to encourage capital outflows. Reserves must partly reflect debt obligations.

For all these reasons, portfolio selling pressure is likely to persist unless the prospect for the U.S. balance of payments is transformed dramatically enough to lend some speculative attraction to the currency—just as an improving oil prospect, coupled with the availability of high domestic interest rates, brought the switch out of sterling to a sudden halt at the very time when it became official policy to run down sterling's reserve role. The present market situation means that the

Unfortunate

Since the central banks which are diversifying are small, intervention by a few strong economies can no doubt continue on a scale sufficient to slow the dollar's decline; but the results are unfortunate. Switzerland, for example, has now been forced into a declared and highly uncharacteristic policy of monetary expansion, and Japan is pursuing a still more active foreign lending policy. These measures are potentially inflationary, and add to the pressure for portfolio switching and the ease with which it can be achieved. Proposals to tackle the problem of the dollar's reserve role in a more orderly way through the International Monetary Fund, widely canvassed two or three years ago, have largely been forgotten; it may soon be time to start thinking again about possible long-term solutions.

Priorities in world steel

THIS WEEK'S meeting of the International Iron and Steel Institute in the U.S. has provided another opportunity for the American steelmakers to wave the big stick at their foreign competitors. The main target has been the Europeans who, it is alleged, have been engaged in irresponsible price-cutting in order to obtain extra business in the U.S. The Americans have called for greater discipline, warning that unless the Europeans mend their ways a series of anti-dumping actions will be launched. The Japanese have suggested that a way out of the impasse might be an extended system of voluntary restraint agreements between Japan, the U.S., and Western Europe.

Unfair

In this debate the Americans present themselves as the injured parties, playing the game according to the rules while their overseas rivals are taking advantage of them through unfair trading practices. This is a misleading picture. In the first place, it is not the case that the sale of cheap foreign steel in the U.S. has been made possible by Government subsidies. A study by the Carter Administration's Council on Wage and Price Stability showed that, outside the UK, the amount of subsidy paid to steelmakers by foreign governments was not significant and certainly not an important factor behind the growth of steel imports into the U.S.

Second, one of the potentially disruptive elements in the situation is the U.S. Antidumping Act which, as amended in 1974, uses a different definition of fair pricing from that which is generally accepted by other countries. If home market prices in the exporter's own country are below average production costs (as can easily happen during a severe recession), the Act requires that the fair value of exports should be calculated as the sum of direct production costs, 10 per cent should be added to the top of the overhead and profit equal to duty's agenda.

Adjustment

The necessary adjustments, are more likely to be brought about by competitive pressures, including price-cutting, than by international agreements which attempt to regulate volumes and prices. Voluntary restraint arrangements, designed to provide a temporary breathing space, can all too easily become permanent. As experience in textiles has shown, there is always a temptation for the importing countries to prolong and tighten the restrictions. In steel the adjustment process is difficult social and political problems, but it is this issue, not market-sharing, which production costs, 10 per cent should be added to the top of the overhead and profit equal to duty's agenda.

NEB's ambitious new plans on the electronics front

BY MAX WILKINSON

NATIONAL ENTERPRISE public folly? The question is certain to be raised by a new series of plans for state capitalism to move into several new and highly competitive territories of the electronics industry.

The strategy, now being drawn up by the National Enterprise Board, envisages four simultaneous thrusts into areas of business at present dominated by foreign multinationals. The plan, costing a total of perhaps £150m, will therefore be the first major test of the NEB's ability to exercise leadership in the borderlands of new technology.

It has grown out of a combination of accident and design, to create a new capacity in sections of high growth which private capital has largely failed to exploit.

It is therefore very different from the rescue operations which have taken up most of the NEB's time and money since it was founded three and a half years ago.

The electronics sector is the first for which the NEB has formulated a coherent long-term strategy, mainly because it is the sector in which it happens to have the largest number of investments.

Of its 16 subsidiaries, half can be classified as being in the electronic or data processing field. Out of the total portfolio of 42 companies in which the NEB has substantial shareholdings, just under 20 come into this category. The largest of the electronics subsidiaries is Ferranti. The NEB inherited a controlling share in the company from the Government in 1976, after a rescue operation in 1975. With the help of new management, Ferranti has pulled sharply out of its nose dive. A 1975 loss of £500,000 has been turned into a pre-tax profit of £11m last year on a greatly increased turnover of £86m. In the long term Ferranti could have a central position in the NEB's strategy for electronics, but there is no evidence as yet of any major plan to integrate it with the other companies in the NEB fold. The other large company is International Computers Limited (ICL) in which the NEB holds a 24.4 per cent stake. ICL has also been a successful example of the marriage of public money and private enterprise, but, like Ferranti, it will probably be left to its own devices for the next few years.

ICL has emerged from its early difficulties to become the strongest European computer company with sales approaching £500m a year of which about half come from overseas. The cost to public funds has been £12m for the equity stake plus a £40m loan for development costs.

The NEB has taken a very passive role in the running of ICL. However, it is an example of the general way in which the NEB hopes to use public money as "pump priming" to co-ordinate and stimulate the efforts of private companies in newly emerging markets. On the other hand ICL's formation out of English Electric and ICI in 1968 cannot be expected to provide an exact pattern for the future. One reason is the dearth of high technology companies in the UK which could form the basis of new groupings in the four areas selected for the NEB's thrust into electronics.

These are:—

- Semiconductor integrated circuits.
- Computer programming (software).
- Computer peripheral equipment (printers, magnetic storage devices, etc).
- Office equipment.

The NEB strategy for the first two groups has already been disclosed. It intends to enter the risky market for standard mass-produced semi-conductors with a completely new subsidiary called Immos, which it plans to fund with £50m.

The setting up of Immos was more of a commercial accident than the result of a carefully laid policy. The NEB had been wondering for some time what, if anything, it ought to do about the integrated circuit industry, and it had come to the conclusion that one of the keys to the emerging technology lay in mass-produced standard circuits like computer memories. Unfortunately none of the three UK owned manufacturers had an entry to this market, since they all concentrate on tailor-made custom circuits.

However, it just happened that Dr. Dick Petritz, a Dallas venture capitalist, and two associates wanted cash to set up a new semi-conductor company.

The NEB did a deal with them in surprisingly quick time. And it certainly showed flexibility in being prepared to make one or two Americans into millionaires as the entry price into a U.S.-dominated technology.

The NEB's entry into computer software has been by an entirely different route. Rather than buying U.S. expertise as in the case of Immos, it aims to co-ordinate the talents of a number of relatively small UK companies and market their skills in America. The venture is based on the premise that programming expertise in the UK is good, and in U.S. terms, relatively cheap. However, most of the companies which sell software are used to producing tailor-made systems for individual customers. They do not have enough capital to devise standard programmes off the cuff, which could then be sold to large numbers of different customers abroad.

To fill this gap, the NEB set up a marketing company called INSAC, whose main job will be to sell abroad computer programs devised by UK companies. INSAC will not actually

INSAC fails to do this, the companies will continue on their independent ways much as they did before.

Like Immos, INSAC is a fairly risky business, and sceptics are easy to find. The main question facing both is whether the big computer groups in the U.S. will be prepared to place significant business with government-owned companies across the Atlantic. Investment in INSAC and associated companies could reach £20m, and there is always the risk that it will be money down the drain. On the other hand if it is successful the return on the investment will be very high, and the spin-off could be important.

The NEB's strategies for the other two sectors in electronics have not yet been published, although some fairly detailed plans have been made internally. The development of computer peripherals centres on the Data Recording Instrument Company (DRI) in which the NEB bought a controlling share for £5m in July, 1976. DRI makes disc drives for magnetic storage. With sales of £20m a year it is the largest independent European company in its

and small business computers to automatic typewriters and word processors. Although the U.K. is still relatively strong in the production of copying machines and duplicators, most computer-like products have to be imported from abroad.

Moreover, the market is dominated by large multinationals like IBM, Philips and Olivetti, so that the smaller British companies now have little chance of making their presence felt in the UK, let alone of exporting. Even the UK companies which can offer a competitive product are hampered by not being able to supply a complete range of equipment comparable with that of their larger competitors.

The NEB's first objective, therefore, would be to set up a completely new office equipment company as it did with Immos in semi-conductors. However, the investment and the risks would be so enormous that this possibility can be rejected out of hand.

The other possibility would be to set up a marketing organisation on the lines of INSAC, as a way of co-ordinating the efforts of a number of smaller independent

to date word processing system and is a leading company in the design of data communications systems. Systime, the Leeds mini-computer company which is part of the INSAC group, could provide small business computer systems, and Muirhead, if it were prepared to co-operate, could contribute its facsimile transmission system. Computer and Systems Engineering, a small company in the office communications sector in which the NEB has a 49.9 per cent stake, could join the group. Computer Technology Limited, the small mini-computer company, might co-operate with the development of a word processor. Monotype, recently rescued by the NEB and Barclay's Bank, could contribute electronic text editing expertise.

Although the NEB is now thought to have agreed in principle to the scheme, the question remains whether companies will be prepared to cede their all-important marketing rights to a state-owned company. Unless they agree to this, the scheme would not have much chance of success. Even then it remains an open question whether a state marketing company can become a credible competitor with the multinationals without interfering between marketing, manufacturing design and development.

The four sections of the electronics industry to which the NEB is giving its first priority will clearly start to overlap in a few years' time.

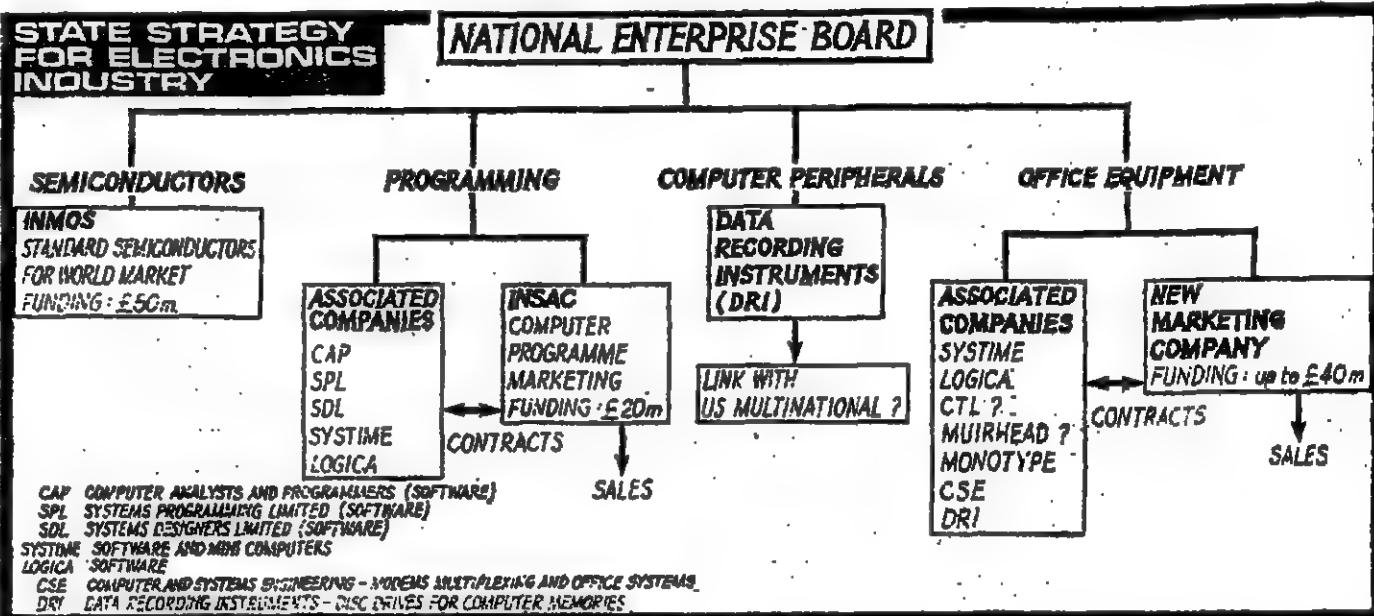
So the NEB may soon need a much more complex management structure to co-ordinate all the various strands of activity. If it is to compete with big multinationals, it will probably be forced to behave like one. This would probably mean much more specific plans for integrating Ferranti and ICL into the overall strategy.

However, so far the NEB does not appear to have paid much attention to this longer-term question. Its major effort is being spent trying to make the four new enterprises successful, on the principle that you must walk before you can run.

It is easy to anticipate objections to the new phase of state intervention in electronics. Many will point to the failure of British Leyland and the ineffectiveness of the Post Office and say: "Beware."

But, alas, market forces have failed so far to create UK groupings strong enough to hold back multinationals over a broad sweep of electronic products. Now even the successful bastions of the industry are in danger of being isolated and cut down by competitors.

So to those who ask why the NEB should appoint itself captain of this section of industry, the answer may simply be: "Because it is there."



MEN AND MATTERS

Choice recruit for NEB

Why should a senior executive with Shell give up his career with the company at the age of 48, take a drop of almost half in his salary and throw in his lot with the public sector? When I put this question to Gerald Fairclough his answer was disarmingly simple—a declaration of support for the public sector of the sort one hardly expects from the man who has been managing director of Shell Chemicals UK and the statement "I think my colleagues would say Fairclough is different."

Fairclough is to become a divisional director at the National Enterprise Board next month and says that he has long supported both nationalised industries of the traditional kind and innovations like the NEB.

"The UK economy depends very heavily on the public sector and this can be justified both for very large-scale enterprises and for risky innovations. There is a stereotype of inefficiency and paper-pushing but I think publicly-owned industries can do every bit as well as privately owned ones." As for his own involvement, he says, "I feel it is important that the public sector has its share of management talent."

Fairclough tells me that he has long been a member of the Labour Party, commenting wistfully that he has been too busy running a large company to stand as a parliamentary candidate. He had been with Shell for 25 years, joining it straight after Marlborough and King's College Cambridge. Now he is to look after a portfolio of companies and has no plans to return to private industry.



"We plan to keep the next one!"

not express whole-hearted approval: "The multinationals have a vast expertise which it is often extremely difficult to replace or match," he commented diplomatically.

Chinese cricket

One thing likely to preserve the gulf between the Chinese and other nationalities is the stubborn addition of some westerners to cricket. No amount of diplomacy will dislodge the Chinese from their view that foreigners who dress in white, throw a ball at each other, and run aimlessly back and forth must be basically untrustworthy.

and determined aficionados confess that their attempts to recreate the required atmosphere of breathless hush usually dissolve into self-conscious farce under the incredulous attention of Chinese spectators.

"Imagine trying to field a ball at short square leg among a forest of unyielding Chinese feet," said one player. "You try to remember the Chinese phrase for 'Please give me the ball' while the runs mount up—five... six... seven... eight..."

The last recorded match in Peking was between Australia and Canada. The Australians had mislaid their equipment, so the game was played with baseball bats and a tennis ball. The umpire was kind: nobody was allowed to be out until he or she scored one run. As for the "man of the match," this was in fact an Australian secretary who caught a ball in her towel.

Sadly the game was finally abandoned in a rainstorm. Nobody had remembered to keep the score but it was agreed, at least among the Australians, that the Canadians should lose—because they cheated by fielding a side of 51 players.

Unusual breezes

"More brisk than balm" was how the Mayor of Brighton described the town's breezes as he greeted the 270 delegates to the 45th Clean Air Conference on Monday, and yesterday a member of the National Society for Clean Air was less complimentary. The breezes had been "horrible when the conference started and horrible when it ended," he said. Still, the delegates seemed to have been impressed with what they had heard, in particular with yesterday's talk on the economics of clean air or rather "how much pollution is good for us?"—which Julian Lowe, lecturer at Bath University, described as

being the central issue today.

His talk came up with some surprising points, not least on the cost of pollution control equipment to industry. For Britain there are only vague estimates that pollution control is costing over £200m per year.

But in the U.S. more precise national data is available. In 1975 pollution control cost U.S. industry an estimated \$7.7bn, while the previous year's census showed that the petroleum industry alone spent 29 per cent of its total capital expenditure on equipment for pollution control.

Lowe cites a U.S. Senate report that the annual cost of air pollution control equipment necessary to meet various U.S. standards will represent 1.7 per cent of GNP or 500 per cent of U.S. foreign aid programmes. All this seemed to be the sort of argument I least expected to find favour at a Clean Air Conference, but a representative of the NSCA was keen to stress that the country could not survive if industry was put out of business. As for the moves towards replacing our present "best practicable means of control" with national standards based on EEC directives, the NSCA told me this raised a different set of problems. The con-sumer, I was warned, is likely to have to face up to higher prices. This sounded more familiar territory.

Closing up

A reader who recently visited Jordan tells me that he asked a taxi driver if he had ever had any trouble with the P.L.O. "Only once," came the reply. "One night they shot at me and one paper said they missed me by ten yards; another paper said it was five yards, and a third that it was only two yards. If there had been more papers, I could have been killed."



Doesn't he realise he can phone Extel for those shareholding disclosures?

Extel has been logging and updating all those shareholding disclosures since April, 1977 when holdings of 5% or more began to be published.

The complete record is instantly available—all you have to do is pick up a 'phone. There is no delay, no filing, no sending messengers.

Your subscription to the EXTEL SHAREHOLDING SERVICE entitles you to 24 free enquiries a year and a further unlimited number for a small fee.

Extel also takes ONCE-OFF enquiries.

To Extel Statistical Services Ltd., 37-45 Paul Street, London, EC2A 4PB. 'Phone: 01-253 3400. Telex: 263437.

I should like to know more about the Extel Shareholding Service.

Name (block letters) _____

Position or Title _____

Firm etc. _____

Address _____

Phone _____

Extel

Observer

Labour's shape of things to come

THERE HAVE been two main battles in Blackpool this week. On the one hand the Government has been fighting for its pay policy, while on the other the struggle for the future of the Labour Party after the general election has begun. The two campaigns are not entirely unrelated.

To start with, there is a certain amount of common ground. Hardly anyone now believes that the party's chances of winning the election are at all good. Indeed the range of opinion seems to vary only between those who think that the election is still worth fighting and those whose minds are already turning to the question of what happens after defeat.

There is also perhaps a certain division between generations. The Government's present strategy was put very simply by Mr. Denis Healey, the Chancellor of the Exchequer, in the incomes policy debate on Monday. There were, he said, two keys to winning. One was to keep inflation under control and the other was to strengthen the authority of the Prime Minister, in the Labour movement. Such was the importance of the struggle against inflation that he claimed, the outcome of the election could be settled by Monday's debate.

As everybody now knows, the Government lost by a majority of two to one. What is more remarkable, however, is that Mr. Healey clings to the same view. He believes that the defeat was certainly very damaging, if not quite fatal. But at the same time, and with Mr. Callaghan behind him, he is more determined than ever to press on with the counter-inflation policy.

It is possible to argue here that the Chancellor is being over-optimistic, perhaps as a result of being over-sanguine before. After all, it had been known since the early summer that the unions were opposed to the incomes policy. That was why the White Paper in July had to be written without them, and the union opposition was plain for all to see at the Trades Union Congress last month. Monday's vote was merely an expression of that reality. There is no reason why it should have made things any worse. Arguably, indeed, it was a step forward because it has established that there will have to be further talks between the Government and unions, and sooner rather than later.

Besides, the fact that such events could take place without the slightest effect on sterling was surely a sign that the outside world at least was unperturbed. It is not entirely normal for a Labour Party Conference to leave the pound unscathed. (The official comment on that is that the markets are too stupid to be able to concentrate on more than one currency at a time, and this week they were too busy thinking about the dollar.)

That may be the logical view, but it is not the view of Mr. Callaghan and Mr. Healey. They believe that the Government has been badly defeated, and it is their conclusion that matters. Far from weakening the counter-inflation policy, they are ready to strengthen it. Suggestions that the 5 per cent earnings figure is about to be officially raised to 7 per cent, if only by a wink and a nod,

should be discounted. It may be not achieved, but the Chancellor and the Prime Minister intend to fight on.

Mr. Callaghan spoke in his address on Tuesday of additional fiscal and monetary measures if necessary. But it is not only that. It now seems more likely than ever that the country will enter the European Monetary System at the end of this year, the decisive argument now being that British participation could act as a further constraint on monetary expansion—and also a help in times of trouble. Not least, there is a general assumption, even expectation, that Mr. Callaghan will now do his utmost to go on until next October.

The politics of this are all very odd. Here are two men preparing to defy practically the entire Labour movement not only on incomes policy, but also on Europe. But they are the Chancellor and the Prime Minister, and provided they remain united, the rest of the Cabinet, for whatever reasons, will probably go along with them. It comes back to what Mr. Healey said on Monday: the Government has two keys to winning—counter-inflation and Mr. Callaghan. That, for the moment, is the sum or at least the summary of government policy.

The struggle for the future of the party is taking place against this background. It is generally assumed that if Labour loses Mr. Healey will drop out of the succession stakes. But it is not simply a matter of personalities. It is also the passing of a generation and there is, too, a genuine divide between different ideologies. What has been happening in Blackpool is that the

various groups within the party have been coming out into the open again and, with them, the competing candidates for the leadership.

There are perhaps six key figures: Mr. Anthony Wedgwood Benn, Mr. Roy Hattersley, Mr. Peter Shore, Dr. David Owen, Mrs. Shirley Williams and, in the background, Mr. William Rodgers.

On his own

Mr. Benn is very much on his own, remaining a member of the Government while making it perfectly plain that he disagrees with many, if not most, of its policies. He has had a good conference, addressing fringe meetings and embracing all the fashionable Left-wing ideas with an air of sweet reason. (Why not sanctions against Iran if we're going to campaign for human rights in the Soviet Union?) If he has a tendency to remind one of Kerevsky, it is not immediately clear who on the further Left will stab him in the back should he ever become leader. For the time being he is the Left-wing claimant to the succession and what is more, he manages to act without an impression of conspiracy. "Discussion," he says, probably rightly, "is good for the party."

The Right, by contrast, rarely walks alone. Indeed, wherever there is a Right-wing gathering it is a pretty good guess that Mr. William Rodgers is somewhere behind it. He is not himself an obvious candidate for the succession and clearly regards his role more as the guardian of the Social Democratic tradition. But as a political impresario he has put on some star-studded shows.

Partly because of the re-emergence of Europe as an issue, Mr. Rodgers, Dr. Owen and Mrs. Williams have tended to appear on the same platform. All three remain as committed as ever to the European Community which, given the present mood of the party, is a brave enough act in itself. But there is also something else, a new desire to stand up and be counted and to resist the encroachments of the Left. Mrs. Williams, in particular, has re-emerged as a fighter, perhaps the most outspoken of them all. Nor is her aggression confined to Right-wing meetings; she operates even better in the open.

Yet the Right still has a problem in finding a contender for the leadership. Dr. Owen is an admirable figure, but still perhaps too young and, however bold in his address, lacking a certain facility with language; the mark maybe of a natural scientist. Mr. Rodgers is a behind-the-scenes figure and Mrs. Williams is said, and believed by those close to her, to have ruled herself out. She would not in any case relish the idea of both major parties being led by a woman.

What then of Mr. Hattersley and Mr. Shore? They belong to no groups and do not appear on the same platform twice, yet who is to say that their stature is any less than that of their competitors? On Mr. Hattersley's part at least, it is clearly a deliberate decision. He was once a Jenkinsite, but disengaged before that word became quite as abusive as it is in Blackpool this week. But it was also a wise decision. Mr. Hattersley occupies what the Tories, in their own terms, like to call the middle ground.



Thinking of Labour's crown? Mr. Peter Shore (left) and Mr. Roy Hattersley.

He could expect to pick up some support from the Right, but also from the Left. Mr. Michael Foot, for instance, is said to regard him as one of the best and ablest of the present Cabinet.

Strength

With Mr. Shore it is a bit different. Anti-European but economically to the Right, it is not immediately obvious to which group he would belong. It also comes as a surprise to be reminded that the once youthful protégé of Harold Wilson is now approaching his mid-fifties—older even than Mr. Wedgwood Benn who seems to have been around so long. But, as with the new Mr. Hattersley, the lack of close identification with any one group could be his strength. Unlike Mr. Benn he does not have to live down any reputation of being somewhat sinister or even opportunistic. All in all, and assuming Labour does lose the election, it would seem that the succession lies between these two men. Mr. Shore and Mr. Hattersley, indeed the choice of Mr. Skinner is an encouragement to others on the far Left to seek favouritism. It may be of no great use to him, but there are those more outrageous.

Even that, however, can be balanced by the comments of some solidly Left-wing members of the NEC who watched the Member for Bolsover attend his first meeting of Wednesday and heard him subsequently addressing the Tribune Rally. They were appalled. "That man," said one, "is not a democrat."

Perhaps the Labour Party has woken up too late, but it would be a mistake to assume that Mr. Skinner is going to get his own way. If anything, he could compel a move back towards the centre.

Not enough

Perhaps, too, the Labour Party needs a spell in opposition, but it would be equally mistaken to believe that it would then necessarily tear itself to pieces. A more accurate conclusion from this week's gathering is that government by Messrs. Callaghan and Healey and a few top civil servants is not enough in itself to satisfy the Labour movement indefinitely. It has been reaction against that that has characterised the conference. The Labour Party wants to say something again, but has not yet decided what.

Letters to the Editor

Imports of textiles

From the Director, British Textile Confederation.
Sir,—In his article of October 3 on "The UK's double standards," Guy de Jouquieres, your Brussels correspondent, describes a point of view held there which distorts the UK Government's policy towards textile and clothing imports from the Mediterranean countries. The UK Government has done no more than to insist on fair and consistent application of the decisions reached by the EEC Council of Ministers on December 19 and 20 last year and of supplementary assurances given to the UK by the European Commission on July 25. If parts of the Commission and some member states have since then tried to go back on what was agreed, it is they, and not the British Government, which are showing "double standards."

Since the beginning of the year, the textile industry in the UK and EEC has been laying its plans on the basis of Community assurances that the restraint arrangements for low-cost textiles will be observed. It is on this basis, too, that it is engaged in a dialogue with the Commission on an industrial policy which will ensure its long-term future as an essential part of the Community's economic and social framework and as a large scale employer.

These plans will founder if there is an unregulated upsurge in low-cost imports. The Community recognised this last December when it adopted a global approach to the most sensitive products. This approach formally recognised the effect of cumulative disruption on the EEC industry and it was agreed that the Mediterranean countries must therefore be included in the restraint system. It is rather late in the day to object to a decision taken over nine months ago, and to the measures necessary to carry it through.

In the first seven months of 1978, while textile and clothing imports from low-cost sources overall are running 18 per cent higher than in the same period of 1977, imports from Mediterranean countries have risen by 50 per cent. Within this overall increase, imports from Malta and Cyprus have almost doubled, while those from Greece and Turkey have in some cases far exceeded the voluntary restraint limits before Community safeguard action has been taken. In contrast, production in our own textile industry has fallen by over 3 per cent, and 20,000 jobs have been lost in the last year. Notwithstanding the fact that the great majority of low-cost imports are now covered by restraints, the situation remains critical.

The UK Government and textile industry are not acting frivolously or unnecessarily in asking that imports from Mediterranean countries be made subject to the same system of controlled growth as those from other disruptive sources. They are merely seeking fulfilment of commitments made freely by the Commission and member states, in order that the framework for the future development of the textile industry can be secured. Ian MacArthur, 24, Buckingham Gate, SW1.

Cutlery from overseas

From Mr. N. Blitch.
Sir,—To refer to me no less than seven times in one brief letter (October 3) suggests that the president of the Federation of British Cutlery Manufacturers rise of 5 per cent now, even if

is either obsessed by my name, or wishes to emphasise in no uncertain manner that I am to take serious note of what he is saying. The effect on me is like being hectorated and being jabbed in the chest by a forefinger for failing to appreciate that Mr. Price and his pack of angry cutlers are being ruined by a collection of unscrupulous and unremovable and utterly unrepentant. Appeals to bogus morality and spurious patriotism are the refuge of a weak argument which self-seeking producers always invoke to confound the common-sense and legitimate self-interest of consumers.

It is suggested by Mr. Price that legions of consumer simpletons are fooled by importers and retailers into believing that cutlery imports from the Far East are akin to the best Sheffield hardware. Like the TV housewife who is said to be unable to tell a brand of margarine from butter, the assumption is without serious foundation; as an advertising try-on it is probably harmless; as an attempt to try to prevent us from continuing to buy butter, it would be pernicious.

Consumers buying cheap imported cutlery probably do so because they cannot afford the high priced Sheffield metalware. Neither Mr. Price nor his members should be allowed to prevent them from continuing to do so.

If Mr. Price thinks that there is no mischief done by restricting cheap imports, I would refer him to the letter in the Financial Times (September 27) from the marketing director of a Midlands textile machinery manufacturer, whose company has lost a considerable amount of good profitable business in Turkey because of the "successful" campaign by the textile industry to restrict cheap imports of textiles. Since when was it patriotic and moral to preserve one set of jobs by putting another set at risk—leaving the taxpayer (consumer) to finance the consequence?

Will Mr. Price please do us (and his members) a favour by not asserting that his federation "seeks to protect the consumer"? Most consumers can look after themselves. If they require any protection at all, it is from specious campaigns leveled against importers—that is, the 50m UK consumers. It reminds me of those striking trades unionists who only wish to see that the public is well served; it sounds more virtuous than a crude request for more money. N. A. Blitch, 6, Rusholme Road, Purney, SW15.

Increases in wages

From Mr. J. Hewitt.
Sir,—May I offer a suggestion on the current round of pay bargaining that may appeal to employers and unions at least, even if a complacent Government is unlikely to be impressed?

The difficulty for any group of workers negotiating a wage increase is that they have to take a view on what they expect inflation to be like in the next 12 months. While Messrs. Healey, Hattersley, et al, whose sole consistency is their bad forecasting, have been saying 8 per cent, most workers, unions and probably employers take a gloomier view. A straw poll would probably indicate an annual rate of about 12 per cent, or 14 per cent this next year. Hence the unwillingness to settle for a pay rise of 5 per cent now, even if

self-financing productivity deals can be added on.

One possibility would be for unions and employers to settle for, say, 8 per cent now (incorporating as much as possible in a productivity deal) and agree that if inflation exceeds 8 per cent in the next 12 months then wage increases will match it on a month-to-month basis. While there are sound objections to the threshold principle, it would offer the opportunity of avoiding a damaging confrontation now and put the onus for keeping inflation down back where it belongs—on the Government.

One immediate difficulty is that if the Government is serious about the intention to reduce direct taxation possibly at the expense of increases in indirect taxes, then only the net effect of such changes should count towards the threshold. The somewhat curious situation where increases in VAT are reflected in the Retail Price Index but corresponding decreases in income tax are not, would obviously have to be avoided. We could then enjoy the spectacle of a government pursuing a monetary policy which actually would reduce inflation, thereby protecting its own incomes policy. J. Hewitt, 6, Aston Park, Aston Rowant, Oxfordshire.

Unemployment benefits

From Mr. E. Gleadow.

Sir,—The large amounts of unemployment benefit that certain individuals can get (Mrs. Mills's letter, October 3) do not apply to about 85 per cent of the unemployed, or further enlightenment on this score I recommend the latest Midland Bank Review in which there is an article by Professors Atkinson and Flemming. It concludes that social security is not a major contributor to the Welfare State, and he asks why the information are supplying about the changes in the domestic frequencies does not mention BBC World Service.

Everyone in the BBC is proud of the World Service which broadcasts in English 24 hours a day every day of the year throughout the globe, as well as of the other 38 language services of external broadcasting. The grant-in-aid provided by Parliament, however, is prescribed for broadcasting outside the shores of Britain and all copyright and agreements are drawn up on this basis.

It is true a large number of listeners in the United Kingdom are able to hear World Services broadcasts directed to Western Europe on the medium wave (this changes from its present 276 metres to 464 metres on November 26) but this is a bonus arising out of the site of the present transmitter.

As for Radio 4 before 8 am on Sundays, we would like to start programmes in English earlier than we do but that depends on money and the new licence fee. We have, as well, a duty to broadcast somewhere, in the languages of our considerable immigrant communities.

Let Major Anderson have no doubt on the major issue. The feeling in Broadcasting House for our colleagues at Bush House is one of warm admiration and respect. It is they after all who keep the standard of BBC independence and impartiality flying around the globe. Aubrey Singer, Broadcasting House, London W1.

time so as to facilitate going for interviews. An additional advantage of having these jobs part-time is that they would not reduce the financial attraction of full-time full-wage work. Thus the people concerned would have an additional motive to find more suitable work.

Lastly I submit a question for economists. If someone is subsidised into a job for which he is not ideally suited and, assuming there is no other job he could do better, is that subsidy an opportunity cost, a real cost to the nation? I believe not. E. Gleadow, 4, Newcastle Terrace, Durham.

Telephone manners

From Mr. R. Goddard.
Sir,—The recent correspondence about telephone manners reminds me that habits can be even more irritating in other countries.

I am always amused/exasperated when using the telephone in Portugal. There, the caller will ask "Está?" ("Are you there?"), and the person answering will say "Estou!" ("I am here!"). Both speakers will then add "Quem fala?" ("Who is that speaking?") but will refuse to disclose their own identity. A battle of wits then follows. Depending on the skill of the players, after five minutes at that has been established is that you are here and he/she is there. Presumably, you know who you are, but you still do not know who you are talking to. It can be great fun—if you have nothing else to do. Richard Goddard, 8, Shaftesbury Avenue, Kenton, Harrow, Middlesex.

Changes in the wavelengths

From the Managing Director, BBC Radio.

Sir,—Major Anderson (September 30) wonders if there is a "red herring" inside the BBC contributor to the World Service, and he asks why the information are supplying about the changes in the domestic frequencies does not mention BBC World Service. Everyone in the BBC is proud of the World Service which broadcasts in English 24 hours a day every day of the year throughout the globe, as well as of the other 38 language services of external broadcasting. The grant-in-aid provided by Parliament, however, is prescribed for broadcasting outside the shores of Britain and all copyright and agreements are drawn up on this basis.

It is true a large number of listeners in the United Kingdom are able to hear World Services broadcasts directed to Western Europe on the medium wave (this changes from its present 276 metres to 464 metres on November 26) but this is a bonus arising out of the site of the present transmitter.

As for Radio 4 before 8 am on Sundays, we would like to start programmes in English earlier than we do but that depends on money and the new licence fee. We have, as well, a duty to broadcast somewhere, in the languages of our considerable immigrant communities.

Let Major Anderson have no doubt on the major issue. The feeling in Broadcasting House for our colleagues at Bush House is one of warm admiration and respect. It is they after all who keep the standard of BBC independence and impartiality flying around the globe. Aubrey Singer, Broadcasting House, London W1.

Today's Events

Labour Party conference ends at Blackpool.
Kenya African National Union meets in Nairobi to choose a successor to President Jomo Kenyatta. Mr. Daniel Arap Moi is the only candidate.
Christian Democrat National Council opens in Rome.
British Steel Corporation's tar distillation works at Leica, Cumbria, closes, costing 30 jobs.
The Communist Party newspaper, the Morning Star, attempts to stop in the High Court Express Newspapers using the title "The Daily Star".
Institute of Taxation annual dinner, Savoy Hotel, London.
Speakers: Lord Russell of Killowen, Lord of Appeal, and Sir William Pile, chairman of Board of Inland Revenue.
HMS Exe, once Britain's largest warship, sails from Devonport to the scrapyard.
Summer Fashion Show opens in Nice (until October 10).
OFFICIAL STATISTICS
Central Statistical Office publishes figures on personal income, expenditure and savings, and revised figures for the gross

domestic product (all for second quarter).
U.S. Government publishes unemployment figures for September.
COMPANY RESULTS
Final dividends: Cradley Printing Company; Interim dividends: Fimlin and Sons, Richards (Leicester), G. W. Sparrow and Sons, Spong and Company Interim figures only: Francis Parker.
COMPANY MEETINGS
A.A.H., Quaglin's, Bury Street, SW, 12 Assam Investments, 40 St. Mary Axe, EC, 12. Peter Black, Winchester House, 100 Old Broad Street, EC, 12.30. Border TV, TV Centre, Carlisle, 12.30. Centway, Plough and Harrow Hotel, Engle Road, Birmingham, 12.30. Diploma Investments, Great Eastern Hotel, EC, 12. Erskine House Investments, Winchester House, London Wall, EC, 12.
SPORT
Golf: Dunlop Master, St. Pierre, Chesham.
Tennis: Davis Cup, Crystal Palace, GB v. Australia. Perrod Trophy, Stevenage.
Show Jumping: Horse of the Year Show, Wembley.

MANSSELL PLAN

Fixed price
Fast completion
Good design
Careful service
Team know-how

Please send me a copy of your meaningful colour brochure

Name

Company

Address

Mansell Plan, a division of R. Mansell Ltd.
13-27 Grant Road, Croydon CR9 6BU 01-654 8191

COMPANY NEWS

Static second half leaves Bejam down at £4.42m

FOLLOWING A £0.32m fall at mid-year, second-half pre-tax profits of Bejam Group, retailers of frozen food and domestic deep freezers, were little changed at £2.08m against £2.14m last time, leaving the figure for the July 1, 1978 year down from a peak of £4.8m to £4.42m.

The 1978-79 result was boosted by exceptional climatic circumstances which have risen to 30 per cent increase over the previous year's profit.

In March, when reporting lower first-half profits of £2.34m (£2.86m), Mr. J. D. Aphor, the chairman, said that until frozen vegetable sales resumed their normal level it would not be prudent to expect record profits for the full year.

He now states that current sales of food and freezers are very satisfactory and says he feels reasonably optimistic concerning the company's earnings growth in the current year.

Turnover for the year advanced £11.7m to £90.98m, which was split as to food £53.01m (£52.89m) and freezers and other £37.06m (£36.99m).

After tax of £319,000 (£333,000), earnings fell from 7.58p to 7.38p per 10p share. The dividend total is effectively lifted from an equivalent 1.432p to 1.821p net, costing £877,000 (£783,000), with a final payment of 0.821p.

A scrip issue of one cumulative preference share for every 30 ordinary held is also proposed.

As at July 1, 1978 the company operated 144 freezer food centres and four have subsequently been opened. In addition, new stores at Bedford, Gravesend, Harborne, Lincoln, Salisbury, Tonbridge and Tottenham should be operating by Christmas.

comment
Bejam warned, when it reported a 12 per cent setback in first half profits, that its full year profits would fall short of the 1978-79 record. So the latest figures, showing only a small drop in second half profits leaving the year 8 per cent lower pre-tax, is basically what the market had been expecting.

HIGHLIGHTS

Sears has had an excellent first half with profits 72 per cent higher reflecting a 60 per cent jump in the dominant footwear divisions and a turnaround at the loss-making situations. EMI's recent warnings on its setback in medical scanners were justified given a loss of £13m on this product and overall profits are more than halved but the dividend has been maintained. Completing the Lex column is Clive Discount where the first half results compare unfavourably with those at the same stage of last year. Profits at Bejam are lower but this was anticipated at the half way stage and the current year has started on a more buoyant note, while a first time contribution has given a useful boost to Wolstenholme Bros.

inc. This apparent ex-growth period. Physical expansion is speeding up and another ten stores will be operating before Christmas, and virtually all of the 12 months from June 1976 Bejam saw its frozen food volume and freezers and other £7.06m (£6.99m).

So in the latest 12 months Bejam has been competing with an exceptional period. Sales growth has been slack, in the first six months Bejam saw a 2 per cent drop in volume but sales started to pick up after January, and for the full year there was a 1 per cent rise. Headline price inflation for frozen foods has been very low at around 5 per cent. Freezer sales have also been poor and four have subsequently been opened. In addition, new stores at Bedford, Gravesend, Harborne, Lincoln, Salisbury, Tonbridge and Tottenham should be operating by Christmas.

But the outlook for this year looks brighter and this is no doubt one of the factors behind yesterday's up rise in the share price to 65p. Food sales are continuing to improve—turnover from existing stores is about 20 per cent up so far—and freezer sales in the first quarter are 30 per cent up on the comparable period.

Further improvements in profits and liquidity for Illingworth, Morris

Extracts from the Statement to Stockholders by Mr. Ivan C. Hill, Chairman

The action being undertaken to achieve the objectives outlined in my previous Chairman's Statements has continued during the past year, resulting in a more acceptable level of profit, improved liquidity and a more compact management operation. Profit before taxation increased by £1,846,000 to £4,760,000 after crediting a realised surplus of £374,000 on the disposal of land and buildings. Re-organisation expenditures amounted to £573,000. I am pleased to report an improvement in liquidity of nearly £2.5m. The Group has disposed of a portion of its investments since 1st April of this year which has further reduced the high gearing.

The future
In endeavouring to look to the future it is inadvisable to ignore past economic influences or to underestimate the impact of governments' policies on the prosperity or even the survival of each individual industry. For example, to place a burden on companies so that it is more expensive to stop an unprofitable activity than to allow it to remain in being, ties up resources which could be better used in new investment and job opportunities.

Neither at home nor abroad are current trading conditions easy. To maintain or improve upon the profit of the year under review will require unmitigated effort and an upturn in international trading.

RESULTS AT A GLANCE

Year ended 31st March	1978	1977
Sales	£119,710	£115,801
Profit before Taxation	4,760	2,915
Profit after Taxation	3,454	1,885
Dividends	669	605
Earnings per Stock Unit	9.88p	4.60p



The largest wool group of its kind in the world

Registered Office: Victoria Road, Saltair, Shipley, West Yorkshire BD18 3LD

EMI Scanners lose £13.2m

BY CHRISTINE MOIR

EMI's preliminary figures, published yesterday, contained for the first time a detailed five-year breakdown of sales and profits for the medical electronics division where losses of £13.2m on the scanners were incurred last year. The figures reveal that sales peaked at £93.2m in 1977 having risen from £51.1m in 1974 and profits reached a height of £14.1m in the same year before collapsing in the past 12 months as a result of cuts in hospital spending in the U.S.

Sales in the U.S. dropped from £65m in 1977 to £24m last year whereas sales outside North America increased from £27m to £42m.

Prospects are still not good for the current year when total orders for scanners worldwide are expected to be only between 120 and 160 units compared with a peak of 470 in 1976.

However, Sir John Read, chairman of EMI, said the picture had not been "all gloom even last year. He said that EMI had 34 per cent of all scanners installed in the U.S. and although that level was not being maintained in new orders, the level of orders was satisfactory.

He said that EMI had 34 per cent of all scanners installed in the U.S. and although that level was not being maintained in new orders, the level of orders was satisfactory.

Outside estimates are pitched around £6m pre-tax for this year and on that basis the fully taxed P-E drops from 16.3 to 12.3 per cent—which is still very much a glamour rating.

An encouraging sign was that royalties have also been encountered in the medical division, where profits dropped from £32.7m in 1977 to £16.5m last year, despite a 29m increase in sales from £800m.

Sir John explained that the international repertoire on which world record sales depended had shifted in the past five years to significantly heavier reliance on U.S. talent. As a result battle had been engaged between the market leaders in the U.S., Warners, CBS, EMI and Philips in that order, which had increased the cost of maintaining market share.

In addition, recording artists were successfully winning higher royalties thereby reducing margins.

Nevertheless, Sir John said that Capitol Industries-EMI Inc. the group's music business in the U.S., had a very successful year, producing profits of £15.3m (£17.5m) and the group was in "a strong recovery position in the U.S. as underlined by the charts in the past quarter."

Unfortunately, Capitol's profits were more than offset by the scanner losses in the U.S. leading to an overall pre-tax loss from £13.2m to £13.2m.

EMI's preliminary figures, published yesterday, contained for the first time a detailed five-year breakdown of sales and profits for the medical electronics division where losses of £13.2m on the scanners were incurred last year. The figures reveal that sales peaked at £93.2m in 1977 having risen from £51.1m in 1974 and profits reached a height of £14.1m in the same year before collapsing in the past 12 months as a result of cuts in hospital spending in the U.S.

Sales in the U.S. dropped from £65m in 1977 to £24m last year whereas sales outside North America increased from £27m to £42m.

Prospects are still not good for the current year when total orders for scanners worldwide are expected to be only between 120 and 160 units compared with a peak of 470 in 1976.

However, Sir John Read, chairman of EMI, said the picture had not been "all gloom even last year. He said that EMI had 34 per cent of all scanners installed in the U.S. and although that level was not being maintained in new orders, the level of orders was satisfactory.

He said that EMI had 34 per cent of all scanners installed in the U.S. and although that level was not being maintained in new orders, the level of orders was satisfactory.

Outside estimates are pitched around £6m pre-tax for this year and on that basis the fully taxed P-E drops from 16.3 to 12.3 per cent—which is still very much a glamour rating.

An encouraging sign was that royalties have also been encountered in the medical division, where profits dropped from £32.7m in 1977 to £16.5m last year, despite a 29m increase in sales from £800m.

Sir John explained that the international repertoire on which world record sales depended had shifted in the past five years to significantly heavier reliance on U.S. talent. As a result battle had been engaged between the market leaders in the U.S., Warners, CBS, EMI and Philips in that order, which had increased the cost of maintaining market share.

In addition, recording artists were successfully winning higher royalties thereby reducing margins.

Nevertheless, Sir John said that Capitol Industries-EMI Inc. the group's music business in the U.S., had a very successful year, producing profits of £15.3m (£17.5m) and the group was in "a strong recovery position in the U.S. as underlined by the charts in the past quarter."

Unfortunately, Capitol's profits were more than offset by the scanner losses in the U.S. leading to an overall pre-tax loss from £13.2m to £13.2m.

EMI's preliminary figures, published yesterday, contained for the first time a detailed five-year breakdown of sales and profits for the medical electronics division where losses of £13.2m on the scanners were incurred last year. The figures reveal that sales peaked at £93.2m in 1977 having risen from £51.1m in 1974 and profits reached a height of £14.1m in the same year before collapsing in the past 12 months as a result of cuts in hospital spending in the U.S.

Sales in the U.S. dropped from £65m in 1977 to £24m last year whereas sales outside North America increased from £27m to £42m.

Prospects are still not good for the current year when total orders for scanners worldwide are expected to be only between 120 and 160 units compared with a peak of 470 in 1976.

However, Sir John Read, chairman of EMI, said the picture had not been "all gloom even last year. He said that EMI had 34 per cent of all scanners installed in the U.S. and although that level was not being maintained in new orders, the level of orders was satisfactory.

He said that EMI had 34 per cent of all scanners installed in the U.S. and although that level was not being maintained in new orders, the level of orders was satisfactory.

Outside estimates are pitched around £6m pre-tax for this year and on that basis the fully taxed P-E drops from 16.3 to 12.3 per cent—which is still very much a glamour rating.

An encouraging sign was that royalties have also been encountered in the medical division, where profits dropped from £32.7m in 1977 to £16.5m last year, despite a 29m increase in sales from £800m.

Sir John explained that the international repertoire on which world record sales depended had shifted in the past five years to significantly heavier reliance on U.S. talent. As a result battle had been engaged between the market leaders in the U.S., Warners, CBS, EMI and Philips in that order, which had increased the cost of maintaining market share.

In addition, recording artists were successfully winning higher royalties thereby reducing margins.

Nevertheless, Sir John said that Capitol Industries-EMI Inc. the group's music business in the U.S., had a very successful year, producing profits of £15.3m (£17.5m) and the group was in "a strong recovery position in the U.S. as underlined by the charts in the past quarter."

Unfortunately, Capitol's profits were more than offset by the scanner losses in the U.S. leading to an overall pre-tax loss from £13.2m to £13.2m.

EMI's preliminary figures, published yesterday, contained for the first time a detailed five-year breakdown of sales and profits for the medical electronics division where losses of £13.2m on the scanners were incurred last year. The figures reveal that sales peaked at £93.2m in 1977 having risen from £51.1m in 1974 and profits reached a height of £14.1m in the same year before collapsing in the past 12 months as a result of cuts in hospital spending in the U.S.

Sales in the U.S. dropped from £65m in 1977 to £24m last year whereas sales outside North America increased from £27m to £42m.

Prospects are still not good for the current year when total orders for scanners worldwide are expected to be only between 120 and 160 units compared with a peak of 470 in 1976.

However, Sir John Read, chairman of EMI, said the picture had not been "all gloom even last year. He said that EMI had 34 per cent of all scanners installed in the U.S. and although that level was not being maintained in new orders, the level of orders was satisfactory.

He said that EMI had 34 per cent of all scanners installed in the U.S. and although that level was not being maintained in new orders, the level of orders was satisfactory.

Sears eliminates U.S. loss and jumps 72% midyear

HELPED BY a turnaround to profits in the engineering division and the elimination of losses in the U.S. taxable profits of Sears Holdings jumped 72 per cent from £18.5m to £31.9m for the six months to July 31, 1978, on turnover up 15.7 per cent to £522m.

Mr. Leonard Salner, the chairman, points out that since the results of a number of the group's activities are of a seasonal nature, first-half profits should not be taken as a guide to those of the full year.

However, the current period has started well and the full-year results should show a satisfactory improvement over the previous year, he adds.

In the 1977-78 year, pre-tax profits climbed from £44.67m to a record £82.11m.

Trading profits for the six months by division are (in £000s): Footwear retailers and manufacturers £17,929 (£11,402); department stores, jewellery and other retailing £5,800 (£8,308); engineering £2,053 (£2,329); motor vehicle sales, service and delivery £2,646 (£2,711); licensed betting offices £5,501 (£4,178); property development and investment £2,064 (£2,329); and linen hire, industrial laundries and knitwear distribution (U.S.) £352 (£3,729 loss).

Mr. Salner reports that the upturn in consumer spending in the UK has been particularly beneficial to the group's footwear division. "While the departmental stores have not done as well as might have been expected, this can be attributed, at least in part, to the fact that in 1978 we have not had the advantage of the sale to the tourists which was achieved last year."

"The increased profits earned in the licensed betting offices were primarily due to the effect of unsettled weather on racing conditions in the UK and it should be appreciated that in this business, results may necessarily be subject to fluctuation," he says.

As indicated at the last annual meeting, interim dividends are to be introduced and the first payment is 0.5p net per 25p share. The interim dividend about £4.40m.

Taxation is based on the profit of the year, but includes a provision for deferred taxation. No tax relief is presently available in respect of overseas losses amounting to £700,000 in the half of 1978 (£4.2m).

See Lex

Warne Wright sees same profit

WITH pre-tax profits up from £55,000 to £67,000 at mid-year, the directors of Warne Wright, which experienced short-time working and an industrial dispute, the Board states.

Expansion is planned for S. Taylor and Company, whose growth is proceeding satisfactorily in all its activities.

The group trades as fastener makers, drop forger and engineer.

After five years of consolidating its existing funds, Save and Prosper is to launch a new one. Its South East Asia Growth Fund is to be invested initially at least in Hong Kong (some 80 per cent of the portfolio), Singapore and Malaysia (40 per cent), and the Philippines (the rest). But will have the capacity to invest in other areas, such as Korea, Thailand or Indonesia.

The idea is that the fund—which is to aim for long term capital growth—will be complementary to the managers' existing Japan Growth Fund.

Because of the participation of local investors, South East Asian markets tend to be very much more volatile than their Western counterparts, and Save and Prosper therefore suggest that holdings in its South East Asia Fund should not form more than 25 per cent of any investor's portfolio.

The managers themselves reckon that this fund will be managed more aggressively than most, and that they would be prepared to go up to 25 per cent liquid if markets appeared over-valued. They do not anticipate holding more than 30 shares at any one time.

The minimum initial investment in the new fund—whose launch follows closely on the relaunch of Target's International Fund as Target Pacific—is £250.

Higgs & Hill

In the Higgs and Hill comment yesterday it was incorrectly stated that the company was Laurie Mulbank and Company.

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex



Mr. Leonard Salner.

ment is 0.5p net per 25p share. The interim dividend about £4.40m.

Taxation is based on the profit of the year, but includes a provision for deferred taxation. No tax relief is presently available in respect of overseas losses amounting to £700,000 in the half of 1978 (£4.2m).

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

See Lex

Brasilvest S.A.

Not asset value as of 29th September, 1978

per C\$ Share, C\$332.331

per Ordinary Share, U.S.\$15.397.94

per Depository Share (Second Series), U.S.\$16.647.42

per Depository Share (Third Series), U.S.\$12.465.13

per Depository Share (Fourth Series), U.S.\$12.465.13

per Depository Share (Fifth Series), U.S.\$12.465.13

per Depository Share (Sixth Series), U.S.\$12.465.13

per Depository Share (Seventh Series), U.S.\$12.465.13

per Depository Share (Eighth Series), U.S.\$12.465.13

per Depository Share (Ninth Series), U.S.\$12.465.13

per Depository Share (Tenth Series), U.S.\$12.465.13

per Depository Share (Eleventh Series), U.S.\$12.465.13

per Depository Share (Twelfth Series), U.S.\$12.465.13

per Depository Share (Thirteenth Series), U.S.\$12.465.13

per Depository Share (Fourteenth Series), U.S.\$12.465.13

per Depository Share (Fifteenth Series), U.S.\$12.465.13

per Depository Share (Sixteenth Series), U.S.\$12.465.13

per Depository Share (Seventeenth Series), U.S.\$12.465.13

per Depository Share (Eighteenth Series), U.S.\$12.465.13

per Depository Share (Nineteenth Series), U.S.\$12.465.13

per Depository Share (Twentieth Series), U.S.\$12.465.13

per Depository Share (Twenty-first Series), U.S.\$12.465.13

per Depository Share (Twenty-second Series), U.S.\$12.465.13

per Depository Share (Twenty-third Series), U.S.\$12.465.13

per Depository Share (Twenty-fourth Series), U.S.\$12.465.13

per Depository Share (Twenty-fifth Series), U.S.\$12.465.13

per Depository Share (Twenty-sixth Series), U.S.\$12.465.13

per Depository Share (Twenty-seventh Series), U.S.\$12.465.13

per Depository Share (Twenty-eighth Series), U.S.\$12.465.13

per Depository Share (Twenty-ninth Series), U.S.\$12.465.13

per Depository Share (Thirtieth Series), U.S.\$12.465.13

per Depository Share (Thirty-first Series), U.S.\$12.465.13

per Depository Share (Thirty-second Series), U.S.\$12.465.13

per Depository Share (Thirty-third Series), U.S.\$12.465.13

per Depository Share (Thirty-fourth Series), U.S.\$12.465.13

per Depository Share (Thirty-fifth Series), U.S.\$12.465.13

per Depository Share (Thirty-sixth Series), U.S.\$12.465.13

per Depository Share (Thirty-seventh Series), U.S.\$12.465.13

per Depository Share (Thirty-eighth Series), U.S.\$12.465.13

per Depository Share (Thirty-ninth Series), U.S.\$12.465.13

per Depository Share (Fortieth Series), U.S.\$12.465.13

Wolstenholme Bronze well ahead after six months

BOARD MEETINGS

The following companies have announced their results for the six months ending 30th September 1978. Figures are in £m unless otherwise stated. Figures in parentheses are for the corresponding period of the previous year.

Wolstenholme Bronze (Chairman: Mr. Alan Green) has reported a very strong performance for the first half of 1978. The company's turnover has risen by 15.5% to £14.8m, and its profit before tax has increased by 25.5% to £2.5m. The directors are confident that the company's strong performance will continue throughout the year.

The company's turnover has risen by 15.5% to £14.8m, and its profit before tax has increased by 25.5% to £2.5m. The directors are confident that the company's strong performance will continue throughout the year.

The company's turnover has risen by 15.5% to £14.8m, and its profit before tax has increased by 25.5% to £2.5m. The directors are confident that the company's strong performance will continue throughout the year.

The company's turnover has risen by 15.5% to £14.8m, and its profit before tax has increased by 25.5% to £2.5m. The directors are confident that the company's strong performance will continue throughout the year.

The company's turnover has risen by 15.5% to £14.8m, and its profit before tax has increased by 25.5% to £2.5m. The directors are confident that the company's strong performance will continue throughout the year.

The company's turnover has risen by 15.5% to £14.8m, and its profit before tax has increased by 25.5% to £2.5m. The directors are confident that the company's strong performance will continue throughout the year.

PROPERTY DEALS

J. Sainsbury and Bantalls of Kingston have been appointed by the Council as joint developers of a 2.5m, 30,000 sq ft town centre shopping scheme. The building will include a community centre, squash courts and assembly hall, along with surface parking for 600 cars.

Bantalls expect to occupy ground 70 per cent of the site in the next few weeks. Work on the site is expected to start next spring. The council has approved the scheme, and the council has approved the scheme, and the council has approved the scheme.

Two small office suites in the shadow of the Stock Exchange Tower have come on to the letting market this week. Richard Ellis and St. Quintin Son and Stanley are now marketing the 16,500 sq ft self-contained office block that forms part of the Clothworkers' Company's new development. The new air-conditioned block is offered at £300,000 a year, £12.50 a sq ft. Haslemere Estates, through Jones Lang Wootton and Drivers Jones is asking just £12.50 a sq ft for its 7,000 sq ft refurbishment around the corner at 27 Throgmorton Street, E.C.3.

BEST AND MAY LTD

Stockists and Distributors of Electrical Equipment

A year of change forecasts future satisfactory results

	1978	1977	1976	1975
Turnover	5,439,878	3,466,437	2,393,647	2,627,902
Profit before tax	308,651	247,778	205,196	194,863
Profit after tax	181,818	169,755	96,598	93,363
Ordinary dividends	46.11%	41.02%	38.11%	34.65%
Earnings per share	8.45p	8.49p	4.93p	4.67p

For a copy of the Report and Accounts apply to The Secretary, Best and May Limited, 27/29 Homedale Road, Bromley, Kent, BR2 9TB.

Clive Discount Holdings Limited

Interim Statement

The directors of Clive Discount Holdings Limited have pleasure in declaring an interim dividend on the ordinary shares of the company of 2.03 pence per share (equivalent to 3.03 pence per share including the tax credit applicable to United Kingdom shareholders) in respect of the year ending 31st March 1979, compared with the interim dividend of 2.00 pence per share (equivalent to 3.03 pence per share including the tax credit) for the year ended 31st March 1978. The cost of the dividend amounts to £306,327 (1978 - £301,800).

Minimum Lending Rate has risen by 3 1/2% during the period and therefore results compare unfavourably with those at this stage last year.

The dividend will be paid on 16th November 1978 to shareholders registered at the close of business on 27th October 1978.

1 Royal Exchange Ave., London EC3V 3JL. Tel 01-263 1101

S. Lyles finishes down at £392,000

PRE-TAX PROFITS of S. Lyles, carpet spinner and dyer, finished the year to June 30, 1978, behind at £392,780 compared with £744,196 after £107,072 against £358,247 at half-year.

Mr. John Lyles, the chairman, states that the improvement in trading conditions during the second six months are continuing during the current year. Exports at £3,400m (£3,280m) accounted for 35 per cent of the year's turnover, which was down slightly from £10.2m to £9.95m. Sales are shown as down from 16,750 to 16,370 per 20p share after tax of £181,500 (£155,550). Tax adjusted on the ED 19 basis, has been reduced by £2,000 for the 1977-78 year and by £241,500 for 1978-79. Prior year increase in reserves in respect of this charge aggregate £384,000. The dividend payment is lifted to 1.9888p (2.4676p); the increase is influenced by the improvement in trading conditions, the directors state.

	1977-78	1978-79
Turnover	10,200,000	9,950,000
Pre-tax profit	3,400,000	3,280,000
UK	3,400,000	3,280,000
Pre-tax profit	3,400,000	3,280,000
UK	3,400,000	3,280,000
Pre-tax profit	3,400,000	3,280,000
UK	3,400,000	3,280,000
Pre-tax profit	3,400,000	3,280,000
UK	3,400,000	3,280,000
Pre-tax profit	3,400,000	3,280,000
UK	3,400,000	3,280,000

DIAMOND SHAMROCK EUROPE

The report on Diamond Shamrock Europe in the October 4 issue related only to the UK company, formerly known as Lankro Chemicals Group Limited. Other Diamond Shamrock companies in Europe including the UK are not included in the losses announced.

Bryant Holdings heavily hit by Saudi Arabia loss

AFTER DEDUCTING exceptional items of £2.64m, profits before tax of Bryant Holdings slumped from £3.66m to £61,020 in the year ended May 31, 1978. Turnover amounted to £37m compared with £6.5m.

The exceptional item is provision against actual and potential losses of an associated company in Saudi Arabia being the total amount of the group's investment in and advances to that company.

Bryant is not the first construction company to strike trouble in Saudi Arabia. Streeters of Godalming in July this year announced a marked deterioration in its activities there and warned that "a drastic re-appraisal of its investments there might be necessary."

After tax of £1.14m (£1.6m) and minorities last time of £81,788 there was an attributable loss of £29,423 against profits of 1985,891. Happily, the first quarter of the current year has produced excellent results, the directors say. The group's financial position is sound with ample liquid resources, and the future outlook is good.

The final dividend of 2.2515p gross makes a total of 3.7667p gross against 3.4242p.

The deficit attributable to Bryant takes into account an extraordinary item of £283,888 which represents release of previously non-distributable reserves as the result of sale of shares in Concrete Ltd.

The best present estimates of group's share of the actual and potential losses are considerably less than the £2.6m figure, but directors consider that it is prudent to make ample provision. Vigorous action has been and is being taken to restore the position.

SHARE STAKE

Wyndham Engineering Company: Cliff Hotel (Gubert), Car-dig, notices that Cliff Plant, its

Clive Discount slower mid-year

BECAUSE OF A 3.5 per cent rise in the minimum lending rate during the last six months the results at Clive Discount halfway through the year to March 31, 1979, compare unfavourably with those at the same stage of 1977-78, the directors report.

However, the net interim dividend is raised to 2.03p (2p). The final last time was 2.7748p paid from profit of £2.12m (£1.32m), after providing for rebate, tax and transfer to contingencies reserve. In June the directors said that performance of markets in the current year would continue to be volatile while uncertainties remained as to political, monetary and economic outlook.

A dramatic drop in interest rates from the then existing rates looked unlikely but it should be possible to maintain satisfactory running profits and jobbing opportunities should occur from time to time they said.

See Lex

Good start by Wagon Industrial

Mr. C. Leslie Smith, chairman of Wagon Industrial Holdings, told the annual meeting in Birmingham that the results for the first five months of the current financial year showed a pleasing improvement over the figures for the same period last year.

He was confident that given the maintenance of existing conditions group results would be satisfactory "and we may, indeed, break new barriers".

In the year to March 31, 1978, group pre-tax profit improved from £2.68m to a record £3.78m.

Top company executives carry it



It is no coincidence that executives at 43 out of Britain's top 50 companies carry the American Express Company Card*. It is a matter of good business sense.

Whether travelling on business at home or abroad, the Card allows key executives to operate more efficiently on your company's behalf.

Worldwide acceptance

They can settle bills at thousands of fine restaurants, hotels and travel offices around the world, simply and in style.

Unhampered by any specific pre-set spending limits, and backed by your company's own good name, executives can hire cars without a deposit, purchase airline tickets and even cash personal sterling cheques in an emergency.

The American Express Company Card is such a sophisticated alternative to cash, with its worldwide recognition and acceptance, that executives can even meet unplanned expenses, such as last-minute changes in travel arrangements or the impromptu client lunch.

Simple expense administration

This unbeatable flexibility and security for the executive is further enhanced by other tangible benefits to the company.

These include: a reduction in the amount of cash advances; a reduction in the number and cost of foreign currency conversions; simplification of expenses

administration for company and executive alike; an exclusive choice of billing arrangements, and the facility to settle monthly charges with a single cheque.

The American Express Company Card Plan is already helping many top companies and their executives. It can help your company just as well.

Simply write to R.A. Harris, Manager, Company Cards, American Express Company, 19 Berners Street, London W1P 3DD, or call his office direct on 01-637 8600.

American Express Cards for Companies

*Source: 'The Times' 1980-1977.

To: R.A. Harris, Manager, Company Cards, American Express Company, 19 Berners Street, London W1P 3DD

I should like to learn more about American Express Cards for Companies. Please contact me at the address below:

Name (CAPITALS PLEASE) _____

Position _____

Company _____

Address _____

Tel. No. _____

Incorporated with limited liability in the U.S.A. J.S. Quarterly, Resident Vice President

Minorco sails ahead

THE CONTINUED low level of copper prices continues to bear heavily on the Zambian copper industry which also has to cope with severe transport difficulties and a shortage of foreign exchange. But the Anglo American Corporation's group's Zambian subsidiary, Anglo American Zambian Copper Corporation, which holds 49 per cent of Zambian Copper Investments, is keeping its head above water and paying dividends thanks to its substantial income from non-copper investments.

Of these, the 29 per cent-owned U.S. Engelhard Minerals & Chemicals earned a net \$124,000 (252,200) last year while the 43 per cent-owned U.S. Treadwell & Sons earned a net of \$1,650,000 (3,300,000) against a loss in 1976 of \$5,910,000.

Also helping Minorco's earnings was the wholly-owned Zambian Industrial Corporation which contributed \$1,340,000. Minorco's total net profit for last year was \$1,510,000 compared with \$12,720,000 in the previous year. An unchanged dividend total of 12 cents was paid.

Mr. W. D. Wilson, the president of Minorco, remains confident that the company's copper investment, which includes 38 per cent of America's Inspiration Copper, will "yield adequate returns in years to come." He sees little prospect of an early increase in the copper price but feels that the longer the market remains depressed and production is curtailed the sharper will be the eventual recovery.

Dr. Z. J. de Beer, president of Zambia Copper Investments, reckons that it will require a sustained period of substantially higher copper prices before the Zambian producers can begin paying dividends. "The prospects for an early recovery in the company's fortunes remain bleak," he adds.

ZCI holds 49 per cent of Nchanga Consolidated Copper Mines and 12.25 per cent of Roan Consolidated Copper Mines. Under the capital reconstruction scheme proposed for Nchanga ZCI's stake in that company will fall to 39.97 per cent. Reconstruction proposals are also being negotiated for Roan.

ZCI has 19 per cent of the struggling Botswana RST. It is expected that the latter will call for funds under a standby facility towards the end of the year and as a result ZCI will need to make use of the loan facility of \$19.5m made available by Minorco.

In London yesterday, shares of ZCI were 14p while those of Minorco were 17p.

Thames TV up 11% to £8.65m

NET ADVERTISEMENT revenue at Thames Television increased 10 per cent from £46.9m to £51.6m in the year to June 30, 1978, and taxable profits expanded 11 per cent to a record £8.65m against £7.76m last time.

Mr. Howard Thomas, chairman, says that the tenth year of Thames has been its most successful, measured both by programmes and profits.

In the first quarter of the current year, advertisement income has continued to rise and overseas sales are expanding, he adds.

Direct expenditure on Thames' own productions has been increased considerably, nevertheless, it is hoped to maintain the 1977-78 level of profits. Profit for the period of Thames, a private, unquoted company jointly owned by Rediffusion Television—a subsidiary of British Electric Traction Company—and EMI, was struck after the Exchequer Levy of £13.89m against £11.6m. Net profit was £3.91m compared with £2.93m after tax of £4.61m (£4.14m).

NORANDA
Noranda Mines, the Canadian group, is selling its Bell Copper unit and its Morrison prospect to Granby Mining of Vancouver, a subsidiary of the diversified U.S. resources group, Zapata Corporation, reports John Seganich from Toronto.

No price has been disclosed. Both properties are in British Columbia.

Bell Copper's mine at Babine Lake started production in 1972 and has the capacity to treat 18,000 tons of ore per day. Granby Mining has a mine nearby which has a capacity of 14,000 tons of ore per day.

The new owners plan to expand Bell Copper to 17,000 tons of ore a day, and Mr. William Flynn, the Zapata chairman, said the acquisition gave Granby additional reserves in the vicinity of existing operations.

Bell Copper's operations was

BIDS AND DEALS

Berec sells Churchouse

Crompton Parkinson, a subsidiary of Hawker Siddeley Company, is paying about £1.4m cash for C. M. Churchouse, a subsidiary of the Berec Group (previously known as Ever Ready Company).

Berec acquired Churchouse, a specialist lighting manufacturer with an annual turnover around £3m, when it bought J. A. Crabtree and Company some six years ago. According to Mr. Colin Stapleton, a Berec director, Churchouse did not really fit in with Crabtree's range of electrical wiring accessories, circuit breakers and motor control gear. Berec spent some management time and effort attempting to build the Churchouse operations. When it failed to achieve its budget in 1977-78 a decision was taken to sell it.

Crompton Parkinson is already in the lighting business with a range of light bulbs and light fittings and it sees the acquisition as a means of strengthening its product base. The Churchouse range includes emergency, general area and amenity lighting and associated equipment for local

Green Shield chief sells motor dealership

Mr. Richard Tomkins, chairman and founder of the Green Shield trading stamps group, has sold his motor vehicle dealership in Bedford. The price of the deal is undisclosed.

Mr. Tomkins bought Beds Autocar, a Ford main dealer, about eight years ago. A spokesman said the motor business did not fit in with the retailing profile of other businesses owned by Mr. Tomkins.

These include the Arzon discount stores chain, the Midland Ideal Homes and New Day Holding Furniture companies and the

Stoneware building materials enterprise. The Green Shield operation has been particularly hard hit over the past year following the decision by many companies to stop using trading stamps.

The new owner of Beds Autocar—now renamed Charles King Motors—is a Swiss-based Overseas Buyers, a subsidiary of Union Trading International, a multinational private company. The new owner proposes to continue the business in its present form and a spokesman said there would be no redundancies.

SHARE STAKES
Great Portland Estates—Basil Samuel, chairman, yesterday sold 100,000 shares.
Scottish and Newcastle Breweries—As a result of Mr. E. H. M. Clutterbuck's resignation from various trusts, his non-beneficial interest in 1,040,500 shares has been eliminated.

Trust Houses Forte: Kuwaiti Investment Office has acquired interest in a further 135,000 shares.

Ferranti announces the following share sales by directors. Mr. P. P. Dorey has sold 233 units at 337p. Mr. S. Z. de Ferranti has sold 100,000 shares in names of self and J. Mackenzie-Sandbach and 330,000 in name of Control Nominees, at 337p. Mr. R. Z. de Ferranti has sold 70,808 shares in name of self and Owen Powell Simpson—"A" account and 48,406 in name of Control Nominees, at 337p.

BANK RETURN
The Bank of England's return for the week ended October 4, 1978, shows a net increase in the money supply of £1,111,000,000.

BANKING DEPARTMENT
Mortgage Finance: £1,111,000,000 increase in the money supply.

INSURANCE DEPARTMENT
Life Insurance: £1,111,000,000 increase in the money supply.

Other Departments
General Insurance: £1,111,000,000 increase in the money supply.

MINING NEWS

Mines president expects gold to stay strong

BY KENNETH MARSTON, MINING EDITOR

THE GOLD price will remain more or less at around its present level—it was a record \$221 per ounce yesterday—and should stay strong in 1979, according to Mr. P. A. von Weilligh, president of the Chamber of Mines of South Africa.

He told a Johannesburg business conference yesterday that the factors which have influenced the price notably the weak U.S. dollar and, to a lesser extent, world economic uncertainties and inflation, are unlikely to be much ameliorated during the rest of this year.

He added: "While the U.S. dollar may enjoy periods of recovery over the next year, the fundamental problems of that currency have yet to be solved." He reckoned that South Africa's gold production this year will be slightly up on last year when 22.4m ounces were produced, and a further marginal rise is likely in 1979.

On the subject of uranium, Mr. von Weilligh commented that "world demand continues strong and prices remain reasonably firm. Additional long term sales have been made by South African producers for which production is scheduled to start at intervals over the next few years. South African output of uranium oxide is running at about 5,000 tonnes a year and should increase in 1979, but Mr. von Weilligh did not quantify the expected rise.

At the same time, there appear to be signs that the scramble for contractual uranium supplies is likely to ease in the future. The latest annual report this week from the chairman, Mr. J. C. Fritz, said that there has been a tendency on the part of uranium customers to take delivery as late as

possible, but he described the medium-term outlook as "relatively good."

AMCOAL STARTS KLEINKOPJE SHIPMENTS
Development of the Anglo American Coal colliery at Kleinkopje in South Africa has moved a stage further forward with the first rail shipments of coal to the Richards Bay stockpiles of the Transvaal Coal Owners Association.

At the same time the recently completed 1,700-ton dragline "took its first walk," as Amcoal put it. The first stage of the open-pit mine's development becomes fully operational in December and by next June production at an annual rate of 2.7m tons will be reached.

The second phase of development comes to fruition in January 1983 when a second dragline starts working in a separate pit. This will allow output to rise to an annual rate of 4.2m tons. Work at the project is going ahead on schedule. The cost, announced last year using 1976 money terms, is R109m (£58.8m).

CAROLIN TAPS OIL FUNDS
Carolin Mines of Vancouver has reached an agreement with three oil companies grouped together as Aquarius Resources under which funds have been provided for the completion of a feasibility study that the Carolin oil property near Hope, British Columbia.

Aquarius holds the option to develop the property. The company is currently spending \$500,000 to finance the investigation of Indonesian coal reserves in East Kalimantan, it was announced yesterday.

Three geologists from the Institute of Geological Sciences, London, are already in the field as part of a three years' project. They are training Indonesians on the spot.

The aid contribution covers also specialist consultancy services and the cost of four drilling rigs, manufactured by English Drilling of Huddersfield and mounted on Bedford trucks.

For the move Gulf Oil says that it plans to drill its Balmora Canyon wildcat well to a depth of 19,000 ft. Gulf is currently drilling at 17,600 ft in the well which is situated offshore New Jersey.

Gulf says that it obtained permission to drill at the 19,000 ft depth from the Office of Standard and Geological Survey of the U.S. Interior Department following a request last month.

The company recently completed cement casing to the 17,600 ft level and is believed to have commenced the deeper drilling.

The rig used to drill the Halibut series of wells has now moved to the Cobia field Cobia 2 location and has started installing sub-sea completion equipment.

The consortium recently announced their intention to bring at around 600m barrels compared the Cobia field into production at a cost of around \$200m.

Without disclosing any reasons this year totalled \$15.582m.

OIL AND GAS NEWS

Testing completed at Fortescue Well

TESTING HAS been completed at the Halibut No. 1 well in the recently discovered Fortescue oil field offshore Victoria. The final test was announced on September 31 by the Broken Hill Proprietary Esso Exploration and Production consortium.

Results of the tests were not disclosed and the well has been suspended for possible later sub-sea completion, according to BHP.

Halibut No. 1 was the fourth in a four to six well series aimed at testing new structures west of the Halibut. Two wells were dry but the other oil productive well, as with Halibut No. 1, was suspended for possible future sub-sea completion.

The rig used to drill the Halibut series of wells has now moved to the Cobia field Cobia 2 location and has started installing sub-sea completion equipment.

The consortium recently announced their intention to bring at around 600m barrels compared the Cobia field into production at a cost of around \$200m.

Without disclosing any reasons this year totalled \$15.582m.

TECHNICAL HELP FOR INDONESIA

The Ministry of Overseas Development is spending \$500,000 to finance the investigation of Indonesian coal reserves in East Kalimantan, it was announced yesterday.

Three geologists from the Institute of Geological Sciences, London, are already in the field as part of a three years' project. They are training Indonesians on the spot.

The aid contribution covers also specialist consultancy services and the cost of four drilling rigs, manufactured by English Drilling of Huddersfield and mounted on Bedford trucks.

For the move Gulf Oil says that it plans to drill its Balmora Canyon wildcat well to a depth of 19,000 ft. Gulf is currently drilling at 17,600 ft in the well which is situated offshore New Jersey.

Gulf says that it obtained permission to drill at the 19,000 ft depth from the Office of Standard and Geological Survey of the U.S. Interior Department following a request last month.

The company recently completed cement casing to the 17,600 ft level and is believed to have commenced the deeper drilling.

The rig used to drill the Halibut series of wells has now moved to the Cobia field Cobia 2 location and has started installing sub-sea completion equipment.

The consortium recently announced their intention to bring at around 600m barrels compared the Cobia field into production at a cost of around \$200m.

Without disclosing any reasons this year totalled \$15.582m.

Without disclosing any reasons this year totalled \$15.582m.

Without disclosing any reasons this year totalled \$15.582m.

Without disclosing any reasons this year totalled \$15.582m.

Without disclosing any reasons this year totalled \$15.582m.

Without disclosing any reasons this year totalled \$15.582m.

Without disclosing any reasons this year totalled \$15.582m.

Without disclosing any reasons this year totalled \$15.582m.

Without disclosing any reasons this year totalled \$15.582m.

RESULTS AND ACCOUNTS IN BRIEF

ELORO MINING AND EXPLORATION COMPANY—Full year results: profit £10,470 (£11,161), net £5,235 (£5,581). Figures include the fully-owned subsidiary Central Exploration Ltd, which includes the associate companies' results.

GRIMSHAW HOLDINGS (industrial group)—Results for April 30, 1978 year reported October 3 in full preliminary accounts: net current assets £1,102 (£1,000,341). Auditors say accounts have been prepared on a going concern basis on assumption that group's bankers, Midland, will continue support. Also, investment and loan assets £1,102 (£1,000,341) net current liabilities £1,102 (£1,000,341).

ZAMBIA COPPER INVESTMENTS—Results for June 30, 1978 year already known: net current assets £1,102 (£1,000,341). Auditors say provisions have been made for decline in current value of group's investments in Nchanga Consolidated Copper Mines and Roan Consolidated Copper Mines, and for a group company's share of a cost of £201,315m. Meeting, Bermuda, November 7.

In respect of these companies and their subsidiaries, the directors are satisfied that the figures are a true and fair view of the state of affairs of the companies as at the end of the year.

MINERALS AND RESOURCES CORPORATION—Results for year to June 30, 1978 already known: net current assets £1,102 (£1,000,341). Auditors say provisions have been made for decline in current value of group's investments in Nchanga Consolidated Copper Mines and Roan Consolidated Copper Mines, and for a group company's share of a cost of £201,315m. Meeting, Bermuda, November 7.

SCOTTISH DEVELOPMENT AGENCY—The Scottish Development Agency has bought a 565,000 site near Glasgow to safeguard the Scottish control systems factory of Satchwell Sunvic, a GEC subsidiary, and its 1,100 jobs.

The 31-acre site at Motherwell was owned by the Ministry of Defence, which has decided to sell it together with the company's rented 340,000 square feet production complex.

The agency stepped in to buy the site and premises so that a long-term lease could be negotiated with the company and a further ten-acre site set aside for future development.

Mr. Hugh Jack, the agency's director of industry, said the deal invited the possibility of redundancies which could have arisen if Satchwell Sunvic had been forced to move.

£1m cathedral appeal set up
EXETER CATHEDRAL needs £1m for urgent repair and conservation work—and a special fund of dedication marking the start of an appeal will be held in the cathedral on Saturday.

Prince Charles, president of the preservation trust has said in a special message that it would be a great tragedy if the building was allowed to disintegrate.

Scottish site bought to save electric plant
By Our Glasgow Correspondent
THE Scottish Development Agency has bought a 565,000 site near Glasgow to safeguard the Scottish control systems factory of Satchwell Sunvic, a GEC subsidiary, and its 1,100 jobs.

The 31-acre site at Motherwell was owned by the Ministry of Defence, which has decided to sell it together with the company's rented 340,000 square feet production complex.

The agency stepped in to buy the site and premises so that a long-term lease could be negotiated with the company and a further ten-acre site set aside for future development.

Mr. Hugh Jack, the agency's director of industry, said the deal invited the possibility of redundancies which could have arisen if Satchwell Sunvic had been forced to move.



FIDELITY PACIFIC FUND S.A.
INCORPORATED UNDER THE LAWS OF PANAMA

Notice of Annual General Meeting of Shareholders October 19, 1978

Please take notice that the Annual General Meeting of Shareholders of Fidelity Pacific Fund S.A. (the "Corporation") will take place at 2.00 P.M. at the Corporation's Principal Office, Outerbridge Building, Pitts Bay Road, Pembroke, Bermuda, on October 19, 1978.

The following matters are on the agenda for this Meeting:

1. Election of Directors. The Chairman of the Board of Directors has proposed the re-election of the eight existing directors.
2. Review of the balance sheet and profit and loss statement for the fiscal year ended May 31, 1978.
3. Ratification of the actions taken by the Directors since the previous Annual General Meeting.
4. Ratification of the actions taken by the Investment Manager since the previous Annual General Meeting.
5. Consideration of such other business as may properly come before the meeting.

Holders of registered shares may vote by proxy by mailing a form of Registered Shareholder's Proxy obtained from the

Corporation's Principal Office in Pembroke, Bermuda, or from the companies listed below, to the Corporation at the following address:

Fidelity Pacific Fund S.A.
P.O. Box 670
Hamilton 5, Bermuda

Holders of bearer shares may vote by proxy by mailing a form of Certificate of Deposit and a form of Bearer Shareholder's Proxy obtained from the Corporation's Principal Office in Pembroke, Bermuda, or from the companies listed below, to the Corporation at P.O. Box 670, Hamilton 5, Bermuda.

Alternatively, holders of bearer shares wishing to exercise their rights personally at the Meeting may deposit with the Corporation the certificates for their shares or a Certificate of Deposit therefor prior to the Meeting.

All Proxies and Certificates of Deposit issued to bearer shareholders must be received by the Corporation not later than 2.00 P.M. on October 19, 1978, in order to be effective at the Meeting.

By Order of the Board of Directors
Charles L. M. Collins
Secretary

The Bank of Bermuda Limited
Front Street
Hamilton, Bermuda

Julius Baer International Limited
3 Lombard Street
London EC3N 3ER, England

Kreditbank S.A. Luxembourg
43, Boulevard Royal
Luxembourg

Rowe & Pitman, Hurst-Brown
1st Floor, City Gate House
39-45 Finsbury Square
London EC2A 1JA, England

Bank Julius Bar & Co.
Bahnhofstrasse 36
8022 Zurich, Switzerland

9 1/2% interest when you invest with Yorkshire Bank Finance

Minimum initial deposit only £50.
Only one month's notice required to withdraw any amount.
Interest paid gross at quarterly intervals—without deduction of income tax.
Maximum balance £10,000.

Yorkshire Bank Finance is part of the Yorkshire Bank Group. To find out more about investing with Yorkshire Bank Finance, simply complete, detach and post the coupon.

To: Yorkshire Bank Finance Limited, P.O. Box 6, Queen St., Leeds LS1 1HG
Please tell me more about Investment Accounts at Yorkshire Bank Finance.

Name _____
Address _____



Guinness Peat Group Limited

A year of progress throughout the Group

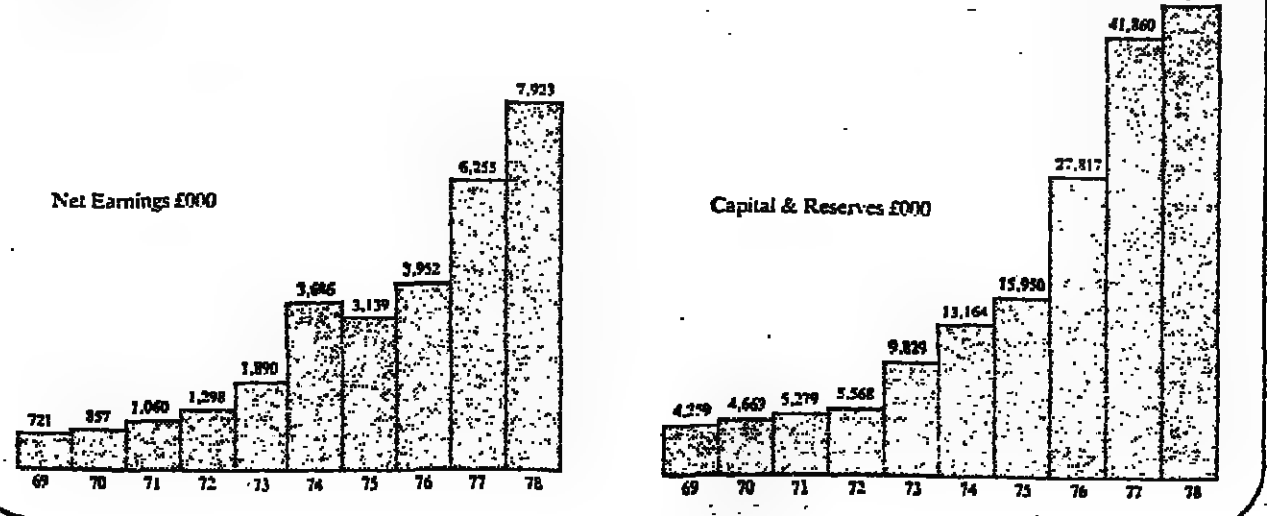
Highlights from Lord Kinnaird's statement at the year ended 30th April 1978.

- * Net attributable profits before extraordinary items increased by 27% to £7.95m (1977 £6.27m).
- * Pre-tax profits for the Trading divisions increased by 40% to £8.88m (1977 £6.32) with substantial progress being made by all divisions.
- * In addition the disclosed profit of the Banking Division for the year increased by 33% to £1.6m (1977 £1.2m) after taxation and transfers to reserves. The Bank continues to broaden its worldwide interests.
- * A one for one scrip issue is proposed to bring the issued share capital more in line with the Company's overall worth (£45m) and to improve the marketability of the shares.
- * Operations in the USA, have been expanded in addition to our increased trading and banking activities in Brazil.
- * Trading conditions in the Group continue to be satisfactory and with the imaginative and strong management team which we have built your company can have every confidence in the future.

The Year in Brief

	1978	1977
Capital and reserves	£44,818,000	£41,860,000
Net assets per share	135.1p	127.3p
Net earnings	£7,923,000	£6,255,000
Earnings per share	24.32p	20.06p
Dividends per ordinary share: net	10.25p	9.95205p
gross equivalent	15.39461p	15.16045p

Ten Year Record



The full Report & Accounts, and the Chairman's Statement, can be obtained from: The Secretary, Guinness Peat Group Limited, 32 St. Mary at Hill, London EC3P 3AJ.

Harrisons Malaysian on target with £24.9m

AS FORECAST in May, the directors of Harrisons Malaysian Estates, a subsidiary of Harrisons and Crossfield, report taxable profits of £24.9m for the year ended March 31, 1978. This is compared with £24.2m previously, a figure which is for illustration only and which has been derived from the results of Golden Hope, London Asiatic, Pataling, H. and Latex and Glengowrie prior to their becoming subsidiaries of Harrisons Malaysian.

Trading profit for the year was £22.3m (£21.95m) and was split 15 to 1 (£1000) rubber £2,519 (£2,523); palm oil and kernels £12,537 (£12,588); copra £597 (£550); and cocoa £5,830 (£5,818). Drought during 1978 and 1977 adversely affected crops for the year, particularly during the final quarter, the directors state, although the effect upon the company's harvests seems not to have been as severe as generally experienced throughout the industry.

WILLIAM COOK

Steel Castings for all Industries

From the statement by the Chairman—Mr. A. McT. Cook

Pre-tax profits showed a substantial increase and the dividend is the maximum permitted. In addition a 1 for 2 capitalisation issue is proposed. However, our order book has recently turned down despite keen quotations and prompt deliveries and this tendency could worsen. Nevertheless, although the prospects for world trade in 1979 look grim, your company feels confident that it will be able to deal with whatever situations may arise.

Year ended 31st March	1978	1977
Sales	£3,629	2,960
Profit before Taxation	546	244
Earnings per share	10.32p	4.58p
Dividend per share	2.09536p	1.55p

Report and Accounts available from
The Secretary, William Cook & Sons (Sheffield) Limited,
Parkway Avenue, Sheffield S9 4WA

George Wills to beat forecast

DESPITE REPORTING a reduction in pre-tax profits from £445,000 to £305,000 for the first six months of 1978, the directors of George Wills and Sons (Holdings) say that latest management figures point to a satisfactory second half and they are confident of comfortably exceeding their previous forecast of not less than £750,000 for the full year.

Last year, record profits of £967,000 were achieved and at the July annual meeting the directors said that all divisions of the importing and exporting group were continuing to show satisfactory progress with the exception of its international commodity section, where a temporary setback in profitability had been experienced.

Turnover for the half year rose by £2.3m to £30.9m. After a tax charge of £139,000 (£231,000) and minorities of £10,000 (£13,000), attributable profits fell from £201,000 to £136,000.

The net interim dividend is stepped up from 0.825p to 0.92125p per 25p share—last year's final was 0.7825p.

Sime Darby chief defends board decision on auditors

BY JAMES BARTHOLOMEW

The chief executive of Sime Darby Holdings, Mr. James Scott, yesterday defended his board's decision to sack the company's auditors, Turquand Youngs and Co.

Speaking from Kuala Lumpur, Mr. Scott said that Sime currently employs 30 different firms of auditors and it was time to settle for just one.

The board considered that Price Waterhouse was better placed to meet the needs of the group, which has substantial international interests and is "unashamedly expansionist".

Mr. Scott declined to comment on suggestions that the sacking has something to do with the Pinder scandal several years ago. Mr. Pinder was a chairman of the group who was found to have misused company funds and was ultimately sent to jail.

Meanwhile, in London, Mr. John Barrow of Turquand, Barton, Mayhew and Co. reported yesterday that he wished Sime would reveal the real reason for his firm's dismissal so that a reply could be made.

OUTLAY BY COPE SPORTSWEAR

A new £250,000 capital spending programme is being under-

Sanderson Murray downturn

WITH SECOND half profits halved from £106,587 to £50,793 at Sanderson Murray and Elder (Holdings), the taxable total for the full year to June 30, 1978, finished behind at £143,793 against a peak £209,587 last time.

The directors state that current trading conditions are difficult and there is as yet no indication of a recovery. They say it needs improved textile consumption here and overseas to re-establish an orderly balance with productive capacity, and so relieve distressed prices.

Profit included investment income of £41,079 compared with £27,523 and was subject to a tax charge of £22,836 (£30,576). Earnings per 50p share are reduced by a third from 8.3p to 6.1p and the dividend is stepped up to 3.465p (3.103p) net.

There was an extraordinary credit of £85,706 for the year, being the surplus on the disposal of land and buildings.

Profits of Ex-Lands for the first half of 1978 rose from £21,000 to £44,000 after charges including interest, but before tax of £18,000, against £9,000. Profits last year totalled £298,544.

Sizewell European Investment

European stock markets, after a subdued start, showed some strength in the closing months of 1977—78—a trend which has continued into the current year.

Lord Parnoor, chairman of Sizewell European Investment Trust, states:

At year end July 31, 1978, the trust's equity portfolio was distributed in percentages as to Germany 29.3 (25.9); Netherlands 19.3 (26.4); France 15.3 (10.3); UK 9.9 (9.2); Switzerland 6.4 (6.7) and Italy 3.5 (3). Of the remainder 16.2 (17.2) per cent was held in the U.S.

Foreign assets at the balance date amounted to £7.22m (£5.83m). Foreign currency loans were at £5.4m (£5.2m) and the premium on investment currency totalled £0.57m (£0.72m).

Downturn for Ramar Textiles

ALTHOUGH TURNOVER was higher at £9.06m, against £7.61m, taxable profits of Ramar Textiles, the ladies' clothing concern, dropped from £274,870 to £205,953 for the year to April 28, 1978.

Full year earnings per 5p share are shown at 1.43p (1.55p) basic, and 1.12p diluted. On increased capital, the dividend is effectively raised from 0.21135p to the maximum permitted 0.3018p net—no dividend is payable on £175,000 deferred convertible shares.

Following the February scrip issue of two ordinary or two deferred convertible shares for each ordinary held, the directors now say that if no shareholder had elected to receive deferred convertible shares, the maximum permitted dividend would have been 0.235p.

After a tax charge of £21,441 (£20,801), extraordinary debits this time of £14,630 and dividends, retained profits emerged at £126,703, against £114,306.

Profit rise for Singapore Para Rubber

From turnover of £448,763 against £413,381, profits before tax of the Singapore Para Rubber Estates improved from £72,013 to £112,834 in the year ended March 31, 1978.

Tax takes £34,000 (£28,400) giving earnings per 5p share of 9.97m (£2.33m) and other listed UK securities at 0.62m (£0.53m). Net liquidity was up £1.31m dividend is lifted from 0.7p to £0.19m) with cash and short-term 1.2m net.

W. & R. Jacob upturn

FOLLOWING THE forecast in May of a return to a more normal level of profitability throughout the year, W. and R. Jacob, biscuit maker, shows a recovery from a pre-tax loss of £342,000 to a profit of £314,000 for the 28 weeks to July 14, 1978.

The directors now say that if the present momentum of the company's trade continues throughout the important Christmas sales period they would expect to show a satisfactory year's trading overall.

Last year a surplus in the second six months left the full-year deficit at £146,000, compared with £239,000 profit in the previous year and a peak of £292,000 for 1974/75.

Sales for the half-year advanced nearly £3m to £14.58m. Stated earnings per 25p share were 4.2p (loss 1.8p) and the interim dividend is raised to 1.2p (0.8125p) net to reduce disparity.

Richmond Life launches diamond bond

Richmond Life Assurance, a company based in the Isle of Man, is today launching a new single premium bond, the proceeds of which are to be largely invested in diamonds.

John Finlan returns to profit

Following a loss of £92,105 for 1977, John Finlan returned to profitability in the first half of 1978 with a pre-tax profit of £20,860, compared with £36,043 for the same period last year.

The directors say that since their last report, orders in excess of £1.5m have been received and it is expected that further contributions to turnover will be made by the developments at Luton and Middleton.

After tax of £10,350 (£18,753), earnings per 10p share fell from 0.58p to 0.34p. The directors say they consider it prudent at the present time not to declare an interim dividend—the last payments totalled 4.8p net in respect of 1973.

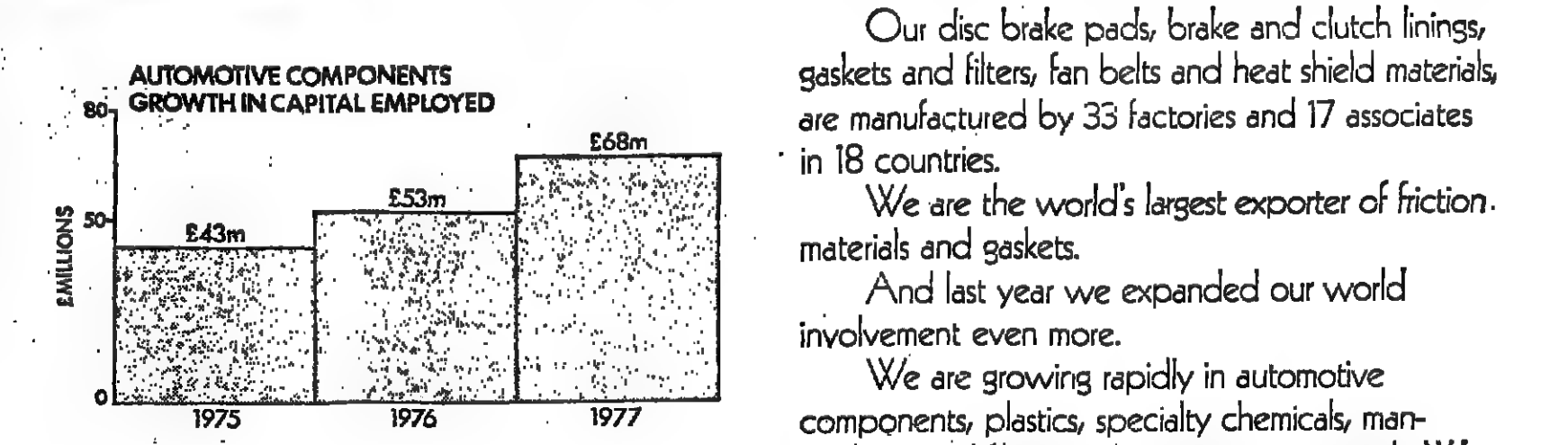
Associates Deal

Cazenove and Co. has purchased 5,000 Ch Gidral, Fouchard and Son at 1044p on behalf of Northern Foods.

TAKE A FRESH LOOK AT TURNER & NEWALL

Report No 2

Automotive components: a world leader



Our disc brake pads, brake and clutch linings, gaskets and filters, fan belts and heat shield materials, are manufactured by 33 factories and 17 associates in 18 countries.

We are the world's largest exporter of friction materials and gaskets.

And last year we expanded our world involvement even more.

We are growing rapidly in automotive components, plastics, specialty chemicals, man-made mineral fibres and construction materials. We are growing in the USA market, as well as continental Europe. Last year we invested, expanded and diversified at a more rapid rate than ever before. We are very much more than the asbestos giant.

Why not take a fresh look at Turner & Newall? Write for our new corporate brochure today.

TURNER & NEWALL LIMITED

Providing what the future needs

To: Public Relations Dept, Turner & Newall Ltd,
20 St. Mary's Paragon, Manchester M3 2NL

Please send me a copy of your corporate brochure and/or Report and Accounts.

Name: _____

Address: _____

Wagon Industrial Holdings Ltd.

Salient Points from Review by Mr. C. Leslie Smith, O.B.E., Chairman:

Results show an improvement of 41% in profits and 33% in sales. This newly created record is in line with our long term objectives and is indicative of the sensible spread of our Group activities. The results justify recommending an increase in the dividend to 7.68p per share, making a gross total with tax credit of 11.53p compared with 10.48p last year.

During the current year we are starting several new activities and have negotiated the acquisition of Cotswold Coach Craft Limited, a respected name in the caravan industry. I am confident that in the absence of unforeseen problems, our trading results for 1978/79 should show further improvement.

	1978	1977
Turnover	£8000's	£8000's
Profit before Tax	36,577	27,548
Tax	3,784	2,677
Extraordinary Items	1,986	1,388
Profit attributable to Shareholders	1,771	1,346
Retained Profit	1,037	721
Earnings per share (after tax)	10.85p	14.11p
Ratio of Net Profit to Shareholders' Funds	37%	28%

Copies of the Report and Accounts may be obtained from
The Secretary, Wagon Industrial Holdings Limited,
Imperial House, Bournville Lane, Birmingham B30 1QZ.

Crouch Group Limited

Improved results against declining industry trend

Highlights from the statement by Mr. Ronald Crouch, Chairman, in the Annual Report and Accounts for the year ended 31st March 1978.

- ◆ Pretax profits of £449,000 compare with £406,000 previously. Although full provisions have been made, no Corporation Tax is payable this year, due largely to stock appreciation.
- ◆ Investment portfolio shows a surplus of £778,000 (9p per share) over book value—net asset value 122.6p per share.
- ◆ Group structure has been rationalised to allow greater flexibility for expansion and development.
- ◆ A new subsidiary will concentrate on developing commercial and industrial sites and buildings, for which ample finance has been made available.

	1978	1977
Turnover	10,483	9,966
Profit before Taxation	449	406
Dividends—Interim	3.63%	3.575%
—Proposed final	8.27%	7.315%
Earnings per share	5.63p	5.68p
Net Asset Value (per share)	122.6p	102.4p

If you would like a copy of the Annual Report and Accounts, please write to the Secretary, Crouch Group Limited, Sutherland House, Surlingham Crescent, Kingston upon Thames, Surrey KT1 3JU.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

AMERICAN NEWS

Carrier in Jenn-Air defensive takeover

By John Wyles

NEW YORK, Oct. 4. CARRIER CORPORATION, the target of an unwelcome \$170 million takeover bid for United Technologies, today announced the apparently defensive acquisition for \$100 million of Jenn-Air Corporation, an Indianapolis manufacturer of household appliances.

Although Carrier declared that its board of directors had authorized the negotiations with Jenn-Air five days before United made its proposal on September 18, the outcome appears to be extremely convenient for the company.

The "definitive" merger agreement with Jenn-Air involves the issue of a minimum of \$3.4m of new Carrier stock which would consequently raise the cost of Carrier's acquisition by United to about \$120m. But perhaps more important is the fact that 66 per cent of Jenn-Air's stock is controlled by Mr. Louis J. Jena, the company's chairman, and his family.

As a result of the agreement, their holding in Carrier will amount to about 8 per cent of Carrier's outstanding common stock, which is a useful block to have in friendly hands when trying to resist a takeover.

The transaction involves Carrier issuing a minimum of 1.35 shares for each share of Jenn-Air common, which according to the agreed formula is valued at not less than \$30 per share.

Jenn-Air's board and stockholders are expected to meet soon to ratify the deal. Mr. Melvin Holm, chairman of Carrier, said late today that talks had started with Jenn-Air last May. According to their announcement, Jenn-Air's earnings have achieved a 57 per cent annual compound growth rate between 1972 and 1977. The compound growth of sales has been 36 per cent. In the year ended June 30, Jenn-Air's sales amounted to \$72.1m and net income \$4.8m or 32 per share.

Despite the announcement, the weakness in Carrier's stock which has been evident over the last few days continued today and the stock closed at \$28, down 1/2. Carrier reached a 52-week high of \$29 1/2 last week.

The prospect of a lengthy takeover struggle with United and the fact that the company's book value is a modest \$17 a share has prompted some selling.

Meanwhile, United's merger move is under scrutiny from several quarters. New York State authorities are holding hearings the week after next to determine whether United is complying with the State's takeover laws while the Justice Department is also investigating the possible anti-trust implications of an acquisition of Carrier which, in turn, has filed an anti-trust suit against United.

In Hartford, United Technologies Corporation said it is filing a counterclaim lawsuit against Carrier Corporation which it claims made false and misleading statements to shareholders and the public concerning the value of Carrier's own shares.

United Technologies said its suit accuses Carrier of violating Federal Securities laws by making the statements in a September 25 press release and in a letter to Carrier shareholders.

The release described United Technologies' offer to negotiate a merger with Carrier on the basis of \$28 a common share as clearly inadequate from a financial point of view.

United Technologies said it is filing a counterclaim lawsuit against Carrier Corporation which it claims made false and misleading statements to shareholders and the public concerning the value of Carrier's own shares.

United Technologies said its suit accuses Carrier of violating Federal Securities laws by making the statements in a September 25 press release and in a letter to Carrier shareholders.

The release described United Technologies' offer to negotiate a merger with Carrier on the basis of \$28 a common share as clearly inadequate from a financial point of view.

United Technologies said it is filing a counterclaim lawsuit against Carrier Corporation which it claims made false and misleading statements to shareholders and the public concerning the value of Carrier's own shares.

United Technologies said its suit accuses Carrier of violating Federal Securities laws by making the statements in a September 25 press release and in a letter to Carrier shareholders.

The release described United Technologies' offer to negotiate a merger with Carrier on the basis of \$28 a common share as clearly inadequate from a financial point of view.

United Technologies said it is filing a counterclaim lawsuit against Carrier Corporation which it claims made false and misleading statements to shareholders and the public concerning the value of Carrier's own shares.

United Technologies said its suit accuses Carrier of violating Federal Securities laws by making the statements in a September 25 press release and in a letter to Carrier shareholders.

The release described United Technologies' offer to negotiate a merger with Carrier on the basis of \$28 a common share as clearly inadequate from a financial point of view.

United Technologies said it is filing a counterclaim lawsuit against Carrier Corporation which it claims made false and misleading statements to shareholders and the public concerning the value of Carrier's own shares.

United Technologies said its suit accuses Carrier of violating Federal Securities laws by making the statements in a September 25 press release and in a letter to Carrier shareholders.

The release described United Technologies' offer to negotiate a merger with Carrier on the basis of \$28 a common share as clearly inadequate from a financial point of view.

United Technologies said it is filing a counterclaim lawsuit against Carrier Corporation which it claims made false and misleading statements to shareholders and the public concerning the value of Carrier's own shares.

United Technologies said its suit accuses Carrier of violating Federal Securities laws by making the statements in a September 25 press release and in a letter to Carrier shareholders.

G. E. to acquire cable TV group

BY STEWART FLEMING

GENERAL ELECTRIC, the world's leading electrical equipment producer, today disclosed plans for another major diversification — the acquisition of a company which owns TV and radio stations and is expanding rapidly in the cable television business.

Two years ago, G.E. bought Utah International, a leading natural resources group for \$20m. But its move to buy Cox is likely to generate just as much interest and could stimulate growing investor and industry interest in the rapidly developing cable television business.

A decision by a company with G.E.'s enviable business reputation to make such a commitment to a newly emerging industry is a development of immense significance.

In its announcement today, G.E. said that its board and the board of Cox had authorized their managements to enter into merger negotiations.

The deal will be a share exchange in which Cox shareholders will receive 1.3 G.E. shares for each Cox share, valuing the Cox equity at between \$65 and \$72 a share.

This compared with the pre-announcement price for Cox of \$49 a share, a level at which it was selling at around 12 times earnings. At \$72 a share, Cox is being bought out at around 19 times last year's earnings of \$3.82 a share — another indication of the value which G.E. appears to place on the future of the Cox business.

Cox last year reported sales revenue of only \$188m (considerably less than the offer price) and a net income of \$23.7m.

The outlook for the company was transformed last year when Cox Broadcasting acquired Cox Cable. Cable TV is a system of distributing television programmes along wires similar to telephone cable rather than through the air. Companies promoting the system are able to offer prospective viewers with many more channels than the seven which are available in many U.S. cities including New York.

So far cable television has been growing significantly but has well under the 30 per cent market share of the TV market which many analysts say represents the point at which it could start becoming a major competitive threat to the three national TV networks — CBS, NBC and ABC. Cox is only one of several quoted but relatively small companies in the cable TV business.

A constraint on its expansion — cable TV is not a regulated industry — is its ability to finance expansion. But a merger with a company of G.E.'s size (it had sales revenue last year of \$17.5bn) would clearly remove that constraint.

Cox currently owns TV stations in San Francisco, Pittsburgh, Atlanta, Charlotte and Dayton. Through Cox Cable it owns 41 cable TV systems.

G.E. has only minor broadcasting interests in the shape of eight radio stations, three TV stations and 12 cablevision systems.

The company said that it seems likely that under Federal Communications Commission regulations it may have to sell three TV stations and perhaps at least six radio stations.

It made no comment on the question of whether the proposal raised anti-trust issues.

Westinghouse Electric settles Houston Lighting lawsuit

WESTINGHOUSE ELECTRIC Corporation said it and Houston Lighting and Power, acting as project manager for the South Texas project, reached final agreement on a uranium supply lawsuit brought by the utility.

The pre-tax cost to Westinghouse of current and future obligations involved in the settlement, which will be accounted for the third quarter, is \$112m.

Westinghouse said the cost to it includes the total escalated cost of goods and services to be provided to the South Texas project at no charge less than the anticipated profit on goods and services to be purchased at a discount by the South Texas project.

Under the agreement, Westinghouse said it will pay the South Texas project \$10m cash within 30 days.

Westinghouse said it will also provide 6m pounds of uranium to be produced by its wholly owned Wyoming Mineral Corporation.

The South Texas project will pay the total cost of production of this uranium, it said.

Westinghouse will also sell at a discount 1m pounds of uranium for which it currently has an option to purchase and provide 2.3m pounds of uranium under the Court-ordered allocation plan at prices originally quoted. Westinghouse last year turned

in net income of \$350.8m against \$223.2m, on sales of \$6.13bn against \$6.14bn. Earnings per share increased from \$2.54 to \$3.10.

Some 52 per cent of profits came from the industrial products division, which makes switches, motor appliances and transformers.

The other major sector of the company's business lies in power generation systems, from which around 24 per cent of earnings came in 1977. The public systems division, which includes Westinghouse's defence contract business, provided the remaining portion of group profit.

Chrysler Mexico is to invest 30n pesos (US\$136m) over the next three years as part of its ambitious export drive and to meet domestic demand. Reviewing the year at the presentation of 1978 models, Mr. Jack H. Parkinson, Chrysler's director-general, said that two-thirds of the investment will go towards boosting exports and the rest on new technology.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Chrysler steps up Mexican investment

By William Chislett

MEXICO CITY, Oct. 4. CHRYSLER MEXICO is to invest 30n pesos (US\$136m) over the next three years as part of its ambitious export drive and to meet domestic demand. Reviewing the year at the presentation of 1978 models, Mr. Jack H. Parkinson, Chrysler's director-general, said that two-thirds of the investment will go towards boosting exports and the rest on new technology.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Mr. Parkinson estimated that exports this year will be worth 20n pesos (\$90m). Total sales this year would be worth 125bn pesos compared to 8.8bn pesos last year.

Chrysler is this year enjoying a record year. A total of 73,000 cars and lorries was sold in the 1978 model year, which has just ended, giving it first place in the total vehicle market.

Drexel Burnham in bid for LME dealer

NEW YORK, Oct. 4. DREXEL BURNHAM LAMBERT, the Wall Street securities firm, is seeking to move into the London Metals Exchange through the acquisition of MacLaine, Watson and Co.

Announcing the agreement in principle to buy the LME member firm from Anschutz Corporation of Denver, Mr. Robert Linton, Drexel Burnham's president and chief executive officer, stressed the deal was contingent on approval from the LME Board, which meets on October 24.

As a result, Mr. Linton refused to discuss either the price agreed for MacLaine, Watson, or the implications for Drexel Burnham, which apparently already engages in some metals trading.

Ashland to sell assets

BY OUR FINANCIAL STAFF

THE MANAGEMENT of Ashland Oil has stated that it is discussing the possibility of disposing of additional company properties which have an estimated book value of \$75m.

This follows the conclusion of Ashland Oil's disposition of its Canadian subsidiary interests to Kaser Resources for \$65m.

The properties under review accounted for about 19 per cent of the company's estimated revenues and 30 per cent of its estimated net income during the fiscal year 1978, excluding Ashland Canada.

If the proceeds to repay debt and to repurchase outstanding stock could result in higher reported earnings per share.

Ashland Oil's management has indicated that it will probably recommend an increase in the company's dividend, but failed to specify a date when such a recommendation might take place. The company presently pays 50 cents quarterly.

DOW CHEMICAL will purchase 3m shares of its own stock between now and December, 1979, in the open market or through negotiated purchases, Reuters reports from Midland.

The company said the purchase will be made to cover shares issued to employees through stock option and stock purchase plans.

A similar programme to buy 1.5m shares was announced in December 1977. At the beginning of the third quarter, there were about 182.4m shares of Dow stock outstanding.

Asbestos bid talks

The Quebec Government and General Dynamics Corporation began negotiations about 10 days ago on a proposed takeover of the company's 54 per cent owned Asbestos Corporation, Mr. Jacques Perreault, the Finance Minister, said, reports Reuters from Quebec.

He told the National Assembly, however, that he could not discuss the talks in detail.

The Assembly passed legislation last spring creating a State-owned corporation with CS250m in capital and a mandate to purchase a majority share in Asbestos Corporation.

NEW YORK, Oct. 5. Analysts, it is that Ethyl is going to be able to absorb roughly a 25 per cent decline in total earnings because of alkylys and still show a 10 per cent earnings gain per year during the 1978-1980 period, said Mr. W. Thomas Hudson, Jr., analyst of A. G. Becker, the stockbroker.

Mr. Aris P. Christodoulou of Blyth Eastman Dillon and Co., estimated that Ethyl earned \$1.15 a share from its U.S. anti-knocks business last year.

Assuming the Government's regulations for reducing alkylys hold to the schedule, "earnings from these operations could drop to perhaps 40 cents a share for 1980," he said. (Foreign sales will not be affected by the U.S. Government order.)

Mr. Hudson, expanding on Ethyl's other businesses, said they made "two very important acquisitions" in the mid-1970s — VCA Corporation and the Edwin Cooper division of Burnham Oil. VCA manufactures plastic and metal packaging components for the cosmetic and toiletry industry, and Cooper produces lubricant and fuel additives for the oil industry.

Cooper's earnings are beginning to increase and VCA will take more time. "But they both have tremendous potential for earnings improvement," Mr. Hudson said.

In addition, Mr. Christodoulou believes that Ethyl has "very attractive coal properties," Reuters.

HOW TO SUBSCRIBE TO THE WALL STREET JOURNAL

Rate per U.S. & Continental Europe \$150 1 Year \$100 6 Months \$50 3 Months

Available in dollars or equivalent in local currency

Delivery by Jet Air Freight from New York (no money back request) Send no money now! THE WALL STREET JOURNAL International Press Centre 76 St. Leon, London, E.C.4, England

Also available at major news stands throughout the world

ASK FOR IT

INTERNATIONAL CREDITS

Belgium switches to foreign borrowing

BY GILES MERRITT

BRUSSELS, Oct. 4

IN A move that has suddenly reversed Belgian public financing policy the Government here has negotiated its first foreign loan for 10 years. It has arranged a \$1.5bn (\$197m) borrowing through the Bank of International Settlements at a reported interest rate of 8 to 9 per cent.

Financial analysts in Brussels are speculating on this departure from domestic borrowing marks the beginning of a series of major foreign loans that could be needed to finance the country's growing current budget deficit.

This year, in spite of assurances by the Belgian Government that the deficit would be pegged to BF 65bn, the deficit is widely expected to reach BF 100bn.

The decision to resort to a BIS loan after 10 years of domestic financing has already begun to spark fears that Belgium may be heading once again towards accelerating foreign borrowings.

But the reasons behind the borrowing are clear enough. Governments here have in recent years been accused of adding to the public deficit by financing the domestic banking system and of pushing up interest rates by resorting to the domestic bond market.

Francis Ghille adds from London: Three more banks following Chemical Bank and Morgan Guaranty, have decided to raise the management group of the Swedish \$1bn refinancing, they are Deutsche Bank, for the last seven.

As a result, four banks which were not in the management of the initial \$1bn loan which Sweden raised last year, have accepted to join the management group: they are Aigiemme Bank, Nederland, Amersbank, Societe Generale de Banque and the Bank of Tokyo. Invitation letters were sent out last night by the agent bank.

In what is believed to be the first medium-term loan to a private Greek company outside the shipping sector, Piraeus Finance is arranging a \$124m loan, in seven years on a spread of 11 per cent through a group of banks led by Bankers Trust. The three period is three years.

The Shipping Corporation of New Zealand is arranging a private basis, a loan through Citicorp: the amount is \$200m and terms include a ten-year maturity with six years grace period and a spread of 1 per cent throughout. The borrower is a state-owned company.

Norsk Hydro is refinancing earlier credit on finer terms through the same bank from whom it raised the initial credit. The amount is \$120m and the borrower is paying a spread of 1 per cent for the first three years rising to 1 per cent for the last seven.

EUROBONDS

Reticence on Sharp issue

SHARP CORPORATION, the Japanese electronics group, is apparently scheduled to launch a convertible bond in November to raise \$150m. German bankers remained reticent yesterday about this issue, which is the first of its kind for the yen-DM convertible market.

Compagnie Financiere de la Deutsche Bank, the Luxembourg subsidiary of Deutsche Bank, is making a private placement on its own behalf of DM 100m. The bond will mature on January 1, 1984, and will carry a coupon of 5 per cent. The issue is being wholly underwritten by the Frankfurt parent.

Announcement is scheduled today of a DM 150m bond from the Republic of Argentina. It is expected to have a maturity of 10 years and a coupon of 6 per cent. The lead manager is Deutsche Bank.

DG Bank confirmed that barely at all.

NOTICE

To Customers, Correspondents, Debtors and Creditors of Banque pour le Commerce Continental, Geneva.

Banque Occidentale pour l'Industrie et le Commerce (Suisse) announces the opening of its banking premises at 15-17 Quai des Bergues, Geneva.

In accordance with an agreement entered into on the 2nd August 1978 with Banque pour le Commerce Continental, Banque Occidentale pour l'Industrie et le Commerce (Suisse) takes over, as from 1st October 1978, most of the assets and liabilities as well as the securities portfolio and certain contingent liabilities of Banque pour le Commerce Continental under the terms of existing agreements between Banque pour le Commerce Continental and those customers, correspondents, debtors and creditors taken over by Banque Occidentale pour l'Industrie et le Commerce (Suisse).

All the customers, debtors and creditors of Banque pour le Commerce Continental taken over by Banque Occidentale pour l'Industrie et le Commerce (Suisse) are being informed individually in accordance with their usual arrangements with Banque pour le Commerce Continental.

Banque Occidentale pour l'Industrie et le Commerce (Suisse) Geneva, 30th September 1978

Banque pour le Commerce Continental announces that as from 30th September 1978, it ceases all banking activity. It entirely approves of the contents of the above announcement by Banque Occidentale pour l'Industrie et le Commerce (Suisse).

Banque pour le Commerce Continental Geneva, 30th September 1978

Alternatives for international finance

also in

Zurich

Badische Kommunale Landesbank, one of South-West Germany's leading banks, operates both a representative office and a subsidiary in Zurich specializing in non-recourse export financing — unique for a German bank.

Our fully staffed representative office acts as an information and contact point for banks and clients in one of the world's foremost banking and trade finance centers.

Our wholly-owned subsidiary, Forstler und Finanz AG (FFZ), provides diversified facilities for international financing operations, concentrating on non-recourse export financing (a forfait) and other specialized trade financing services.

To find out more about our services in Zurich, just contact:

• Frederick Seifert, Representative

BADISCHE KOMMUNALE LANDESBANK — GIROZENTRALE

Bahnhofplatz 5 - P.O. Box 2098 - 8023 Zurich Tel. 012114606



Trekking is for weekends.

Finish with the long trek to the office and leave commuting to others. Re-locate in Newport, the friendly and established town with excellent communications, fine leisure facilities and attractively priced homes.

Nippon Kokan plans new plant despite recession

BY CHARLES SMITH

TOKYO, Oct. 5

NIPPON KOKAN (NKK), Japan's second biggest steel manufacturer, expects to bring its second blast furnace at its new integrated steelworks in Obihiro, south of Tokyo, next year, the company said today.

The "blow-in" at Obihiro is likely to be accompanied by a "mothballing" of one of three blast furnaces still in use at NKK's other plant in Fukuoka, although the company says it has not yet reached a decision on this question.

Nippon Kokan is the only one of Japan's five big integrated steelmakers which is now engaged in the construction of new steelmaking capacity—seemingly strange position to be in considering that only 70 per cent of Japanese steelmaking capacity is in use at present. The Obihiro plant, built on an artificial island off the west coast of Tokyo Bay, was designed to replace the congested and old-fashioned Keihin works (on

U.S. bank buys 10% of BFC in Australia

By James Forth

SYDNEY, Oct. 5

The National Bank of Australia, the 15th largest bank in the U.S., has purchased a 10 per cent stake in the Australian Finance Corporation, Beneficial Finance Corporation.

The U.S. bank joins three other banks, including the Bank of Tokyo as major shareholders of the National Bank of Australia.

The National Bank has taken up a placement of 4,625,000 shares at 30 cents each, or \$1.395 million (\$1.395m) for its stake. In addition, it will provide a \$500,000 line of credit which will support the \$500m already available, including \$200m from the Bank of Tokyo.

This National Bank of Australia bank wanted a "sound investment window" in Australia because its customers in Detroit had ties there. After the placement the Bank of Tokyo will hold 16.4 per cent of Beneficial's capital, while two local banks, the State Bank of New South Wales, will hold 8.2 per cent and 4.6 per cent respectively.

The National will not have any say in the management of the bank, which is a subsidiary of the U.S. Federal Reserve Bank and Australia's Foreign Investment Review Board, has already been approved.

The National already has an association with the Bank of Tokyo through the Bank of Tokyo and Detroit (International), a jointly owned London merchant bank. The placement will increase the capital of Beneficial to \$2.3m, and shareholders' funds to \$2.3m. The directors expect that the existing dividend rate of 6.75 cents a share will be maintained on the higher capital.

Beneficial has no connection with the U.S. group of the same name which operates in Australia as BFC.

Dollar continues to weaken

The dollar remained weak in the foreign exchange market today, despite continued heavy intervention by the Swiss National Bank to push down the value of the Swiss franc.

The dollar declined to DM 1.8085 from DM 1.8077 against the Deutschmark, and also lost ground against the members of the European currency snake, under the influence of a very strong D-mark. The Swiss franc fell sharply against the D-mark however, prompted by substantial intervention from the Swiss National Bank. The Swiss authorities determined to reduce the value of the franc was reflected in the early morning rate of DM 1.8173 for the Swiss franc, compared with a six-month average of DM 1.8120 on Wednesday. Later in the day the Swiss franc was fixed at DM 1.8170-1.8190, rather than the first thing yesterday, but still weaker than Wednesday. Sterling also lost ground against the D-mark, falling to DM 3.7580, 3.7730, at the closing, from DM 3.7600-3.7700 previously.

The dollar's trade-weighted depreciation, as calculated by Morgan Guaranty of New York, widened to 9.7 per cent from 9.6 per cent.

Trading was generally fairly quiet, and sterling showed little movement throughout the day. It opened at \$1.9645-1.9655 as the dollar eased. Intervention by European central banks helped the dollar to recover somewhat, and by lunch the pound had declined to \$1.9645-1.9655 again. It remained around \$1.9655 most of the afternoon, and closed at \$1.9655-1.9665, a fall of 5 points on the day.

Sterling's trade-weighted index, on Bank of England figures, was unchanged at 82.6 per cent throughout the day.

FRANKFURT—The West German Bundesbank bought \$8.9m to prevent a further decline of the dollar at yesterday's fixing. The U.S. currency was fixed unchanged at DM 1.8070-1.8090. The Swiss franc fell sharply against the D-mark however, prompted by substantial intervention from the Swiss National Bank. The Swiss authorities determined to reduce the value of the franc was reflected in the early morning rate of DM 1.8173 for the Swiss franc, compared with a six-month average of DM 1.8120 on Wednesday. Later in the day the Swiss franc was fixed at DM 1.8170-1.8190, rather than the first thing yesterday, but still weaker than Wednesday. Sterling also lost ground against the D-mark, falling to DM 3.7580, 3.7730, at the closing, from DM 3.7600-3.7700 previously.

BRUSSELS—The Belgian franc improved slightly against the D-mark, rising to Bfr 15.7642, at the fixing, from the previous fixing level of Bfr 15.7630, which was the Belgian currency's lowest permitted level under the terms of the European currency snake.

The central bank did not intervene at the fixing, as the Belgian franc also gained ground against the French franc to Bfr 6.96-6.99 from Bfr 6.9600-6.9650, and rose to Bfr 29.9500-29.9550 from Bfr 29.9450-29.9500.

The franc fell very sharply to Bfr 18.850 from Bfr 19.1885.

MILAN—The dollar was slightly firmer at yesterday's fixing of L.517.5 against the lire, compared with L.516.5 previously. Sterling fell to L.162.95 from L.163.10, and the Swiss franc also lost ground, to L.517.57 from L.518.00. The Japanese yen eased to L.517.57 from L.518.00, and the French franc declined to L.518.03 from L.519.37.

Most members of the European currency snake were slightly firmer against the lire, with the D-mark improving to L.431.58 from L.431.23 at the fixing, with the Belgian franc rising a little to L.431.23 from L.431.23.

Trading was heavy in D-marks and dollars, with the Bank of Italy selling most of the \$350m exchanged at the closing to meet commercial demand due to import payments.

TOKYO—The dollar fell slightly to ¥168.70 against the Japanese yen, from ¥168.70 previously. It opened at ¥168.80 and fell briefly to ¥168.50 in late trading.

FRANKFURT—The dollar was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

FRANKFURT—Call money was unchanged at 3.45-3.50 per cent as was one-month money at 3.6-3.65 per cent. The three-month rate was unchanged at 3.8-3.85 per cent. One-year bills were marginally firmer at 5.25 per cent against 5.22 per cent. One-month certificates of deposit rose to 5.50 per cent from 5.47 per cent while two-month deposits were quoted unchanged at 5.51 per cent. Three-month certificates edged up slightly to 5.10 per cent from 5.06 per cent.

THE POUND SPOT				FORWARD AGAINST £			
Oct. 5	Bank	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S. \$	1.8085	1.8077	1.8085	0.82-0.82 pm	8.55	1.03-1.03 pm	8.55
Canadian \$	2.4400	2.4325	2.4400	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Deutsche M.	3.7580	3.7580	3.7580	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Swiss franc	6.96-6.96	6.96-6.96	6.96-6.96	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
French franc	15.7642	15.7642	15.7642	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Italian Lira	2036.00	2036.00	2036.00	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Japanese Yen	168.70	168.70	168.70	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Spanish Ptas.	166.64	166.64	166.64	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Portuguese Esc.	200.48	200.48	200.48	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Belgian franc	36.36	36.36	36.36	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Dutch Guilder	3.76-3.76	3.76-3.76	3.76-3.76	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Austrian Sch.	13.76-13.76	13.76-13.76	13.76-13.76	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55
Swedish Krona	4.66-4.66	4.66-4.66	4.66-4.66	1.50-1.50 pm	8.55	1.84-1.84 pm	8.55

THE DOLLAR SPOT				FORWARD AGAINST			
October 5	Day's spread		Close			%	
U.S. \$	94.65-94.53	94.50-94.53		One month	7.5	Three months	7.5
Canadian \$	2.0590-2.0600	2.0590-2.0605		0.02-0.04 pm	0.02	0.02-0.04 pm	0.02
Deutsche M.	25.61-25.73	25.60-25.70		0.02-0.04 pm	0.02	0.02-0.04 pm	0.02
Swiss franc	2.5250-2.5275	2.5200-2.5275		13-17 cts	0.07	13-17 cts	0.07
D-Mark	2.9725-2.9800	2.9700-2.9800		2.75-2.90cents	0.05	1.75-2.90cents	0.05
French franc	60.00-60.05	60.00-60.05		1.65-1.80 cts	0.20	1.65-1.80 cts	0.20
Lira	914.50-915.00	913.00-914.75		35-10c	0.20	35-10c	0.20
Norwegian Kr.	5.0000-5.0005	5.0000-5.0005		3.00-3.20cents	0.05	3.00-3.20cents	0.05
Japanese Yen	3.0000-3.0005	3.0000-3.0005		2.40-2.60cents	0.05	2.40-2.60cents	0.05
Spanish Ptas.	4.3500-4.3600	4.3500-4.3600		0.02-0.04 pm	0.02	0.02-0.04 pm	0.02
Portuguese Esc.	200.00-200.05	2.0000-2.0005		0.02-0.04 pm	0.02	0.02-0.04 pm	0.02
Belgian franc	2.0000-2.0005	2.0000-2.0005		1.60-1.80cents	0.05	1.60-1.80cents	0.05
Dutch Guilder	1.3750-1.3760	1.3750-1.3760		0.02-0.04 pm	0.02	0.02-0.04 pm	0.02
Austrian Sch.	1.3750-1.3760	1.3750-1.3760		0.02-0.04 pm	0.02	0.02-0.04 pm	0.02
Swedish Krona	0.0020-0.0025	0.0020-0.0025		1.60-1.80cents	0.05	1.60-1.80cents	0.05
Belgian rate is for convertible francs.				1.60-1.80cents	0.05	1.60-1.80cents	0.05
Financial time 6.20-6.30.				1.60-1.80cents	0.05	1.60-1.80cents	0.05
U.S. \$				1.60-1.80cents	0.05	1.60-1.80cents	0.05
cents per Canadian \$.				1.60-1.80cents	0.05	1.60-1.80cents	0.05

CURRENCY RATES				CURRENCY MOVEMENT			
Oct. 5	Special European	Unit of	Change	Oct. 5	Bank of	Change	Bank of
U.S. dollar	1.0000	U.S. dollar	0.0000	U.S. dollar	0.0000	0.0000	0.0000
Canadian dollar	0.7000	Canadian dollar	0.0000	Canadian dollar	0.0000	0.0000	0.0000
Deutsche mark	0.2500	Deutsche mark	0.0000	Deutsche mark	0.0000	0.0000	0.0000
Swiss franc	0.6700	Swiss franc	0.0000	Swiss franc	0.0000	0.0000	0.0000
French franc	0.0650	French franc	0.0000	French franc	0.0000	0.0000	0.0000
Italian Lira	0.0020	Italian Lira	0.0000	Italian Lira	0.0000	0.0000	0.0000
Japanese Yen	0.0070	Japanese Yen	0.0000	Japanese Yen	0.0000	0.0000	0.0000
Spanish Ptas.	0.0002	Spanish Ptas.	0.0000	Spanish Ptas.	0.0000	0.0000	0.0000
Portuguese Esc.	0.0002	Portuguese Esc.	0.0000	Portuguese Esc.	0.0000	0.0000	0.0000
Belgian franc	0.0027	Belgian franc	0.0000	Belgian franc	0.0000	0.0000	0.0000
Dutch Guilder	0.0036	Dutch Guilder	0.0000	Dutch Guilder	0.0000	0.0000	0.0000
Austrian Sch.	0.0073	Austrian Sch.	0.0000	Austrian Sch.	0.0000	0.0000	0.0000
Swedish Krona	0.0021	Swedish Krona	0.0000	Swedish Krona	0.0000	0.0000	0.0000

OTHER MARKETS				
Oct. 5	#	\$	%	
Argentina Peso	1,719.1-722	866.80-869.03	Austria	87.0-80.00
Australian Dollar	1,703.3-1,083.0	0.896-0.91	Belgium	58.0-55.00
British Mark	1.7-1.92	5.986-5.9885	Denmark	10.40-10.40
Brunei Cr.	57.0-59.56	38.18-38.5	France	5.4-5.50
Brazil Cr.	71,314.73-059	35.99-36.86	Germany	5.7-5.81
Burmese Kyat	9,974-9,980	4.758-4.77	Italy	1,690-1,690
Cash Hong Kong Dollar	3.5-143	58.65-71.56	Japan	1,000-1,000
Cash Hong Kong Dollar	0.533-0.545	0.2689-0.270	Netherlands	4.05-4.13
Cash Hong Kong Dollar	59.3-59.50	29.9-29.95	Norway	9.95-10.00
Cash Hong Kong Dollar	4.0-4.08	0.2689-0.270	Portugal	1,000-1,000
Cash Hong Kong Dollar	1,857.9-1,858.45	0.9358-0.9394	Spain	148-148
Cash Hong Kong Dollar	7.7-7.74	0.9358-0.9394	Sweden	1,000-1,000
Cash Hong Kong Dollar	2.06-2.065	0.2065-0.2075	Switzerland	1.98-1.98
Cash Hong Kong Dollar	7,181.1-7,889	0.8643-0.8738	Yugoslavia	0.0-0.00

Hope pinned on the Porcupine

COMPARED with the UK, Ireland appears to have been endowed with only very limited natural resources. The UK has coal reserves to last for centuries; Ireland has virtually none. While Britain has been fortunate enough to discover abundant reserves of North Sea oil, Ireland has seen 51 wells drilled in its offshore waters since 1970 with no better result than non-commercial indications of oil. One small gas field has been discovered and brought into production at Kinsale Head, off the Cork coast. This will soon supply gas equal to 15 per cent of Ireland's present energy requirements, but until this month there was little else to show for the exploration programme.

An announcement this week, however, brought some hope that the energy balance between the two countries might some day become more equitable.

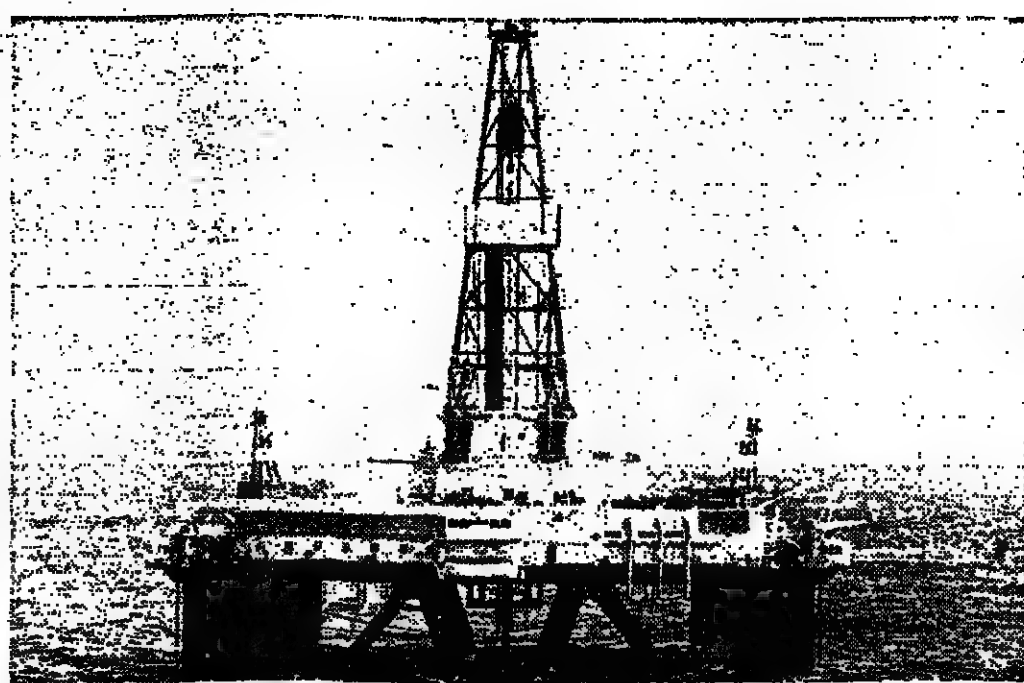
Phillips Petroleum reported that oil flows of up to 730 barrels a day were recorded during tests on its well 35/8-1 in the Porcupine Trough, 105 miles west of the Shannon Estuary.

After the unpromising results obtained from the Irish Sea, Celtic Sea and the Fastnet area, and two dry holes this year off the Donegal coast, the Porcupine is now regarded as Ireland's best oil chance. But exploitation of an oil deposit in this turbulent Atlantic territory would present formidable technical problems, soluble only at high cost, and could be justified only by an exceptionally good discovery or a substantial improvement in the real price for oil.

Water depth

The flow rate recorded by Phillips is poor by offshore standards and Phillips has been at pains to emphasise that the discovery, although significant, cannot be considered commercial, especially in the 1,411-foot water depth drilled—a depth far beyond that found in any North Sea field, currently thought to merit development.

As if to reinforce the truth that Ireland's search for oil has not yet been successful, the Phillips report was followed this week by even less encouraging news of two more Porcupine wells, both of which



The semi-submersible drilling rig Sedco 708, which drilled Phillips' first wildcat exploration in the Porcupine Basin 100 miles off the west coast of Ireland.

have been plugged and abandoned without testing—Elf-Aquitaine's 35/2-1 and the BP/Aran consortium's 26/22-1.

Elf-Aquitaine reported only minor traces of oil; BP said that "no significant accumulations of hydrocarbons have been discovered."

These announcements come towards the end of an Irish drilling season which, with 15 wells spudded in previously unexplored territory, has seen Europe's largest programme of genuine "wildcats" this year. Of 14 wells completed, only one, the Phillips well, has revealed oil in any significant quantity.

The 15th well, sunk by Deminor on block 35/6, is still at an early stage and completion is not expected until late November, perhaps even December.

Yet, although the news is not good, it could be worse. The Irish Government, encouraged by the Phillips well, maintains its cautious optimism. Officials point out that all the conditions which favour large oil accumulations have been found in the Porcupine. They stress that seismic surveys have shown the area to bear a remarkable resemblance to the prolific Viking Graben sector of the North Sea and to contain a number of large structures which could be oil traps. Drilling has revealed

the existence of suitable reservoir rock of adequate thickness, though not oil-bearing, and now there is proof of the existence of oil, although not in sufficient quantity to be commercial.

All wells in the Porcupine to date are thought to have yielded valuable information, if nothing else.

The officials also point out that this is only the second drilling season in the Porcupine and that the Phillips well was only the fifth to be spudded in the area.

The Government is also encouraged by the quality of the oil Phillips found. It was sulphur-free crude, of 34 degrees API, similar to North Sea oil and of the type which commands a premium on the market.

The oil companies have little to say but appear to be less optimistic. "But I suspect that, whatever they may say publicly, they are privately very encouraged by what has been seen this year," says Ireland's Minister of Industry, Commerce and Energy, Mr. Desmond O'Malley.

"Certain wells have been drilled which have been technically 'dry' but have nonetheless caused the companies who drilled them to come back to us to look for territory nearby. That, to my mind, is an indication that they

find it interesting—to put it at its weakest."

Oil companies have spent between £50m and £70m exploring in the Irish sector this year, it is estimated, and this is perhaps a more accurate indicator of their enthusiasm than their comments.

The Government, on the other hand, must maintain an outward semblance of enthusiasm in its efforts to maintain the momentum of exploration in 1979 and 1980.

Continuation of the exploration programme at a high level is important to Ireland. Current oil consumption is about 100,000 barrels a day—a relatively insignificant quantity to a large industrial nation but representing about 75 per cent of Ireland's total energy consumption. Even a producing oilfield which was small, by North Sea standards, could meet Ireland's entire oil needs and produce changes in energy strategy.

Nuclear

Plans for a nuclear power station, says Mr. O'Malley, may pass the point of no return in about 18 months. It would be ironic if Ireland found itself irreversibly committed to the production of nuclear power only to find it did not need it. So far, about five wells are

certain to be drilled in the Irish sector next year. Companies committed to drill are Elf-Aquitaine, BP/Aran, Amoco, Chevron/ICI and Gulf.

In addition, Marathon and Esso, both of whom have large acreages under licence off the east and south coasts, must drill previously undrilled blocks next year if they wish to retain them. Amoco has two Porcupine blocks under option until the end of this year. If it takes up the options it must drill one more well in addition to the one to which it is already committed.

These wells could bring next year's total to ten or more.

It also seems increasingly likely that Ireland will award further offshore licences within the next few weeks. As the result of interest engendered by the Phillips find, small as it is, and with the need to give new licencees time to consider their 1979 drilling plans, the timing would be right. Officials say that active discussions are in progress with oil companies over licensing, including some companies who have never before drilled in Irish waters.

The Phillips find, moreover, will enable the Government to afford to take a harder line with the oil companies. It would dearly love to set up its own oil corporation, indicates Mr. O'Malley. But it would probably not be on the lines of the British National Oil Corporation, he adds, rather it would be more akin to British Petroleum—an entirely commercial body with a state majority shareholding and private shareholders as well.

The great day for the Irish, however—the day when a commercial oilfield has been fully established—has not arrived yet. If (some would say when) it does, the impact on this small economy would be dramatic. With one modestly sized field enough to meet home demand, Ireland might quickly become a net exporter of crude.

This happy position would present an outstanding opportunity to raise Irish living standards, still among the lowest in Europe.

The time for new Irish licencees may also be ripe because the oil companies are finding the conditions posed by the established North Sea oil nations increasingly irksome.

Licencees of UK acreage, in particular, are concerned about the way the British Government has changed the rules—the recent proposal to increase petroleum revenue tax is cited as but one example—and by the stringent terms imposed for the forthcoming sixth UK licensing round.

Sixth round

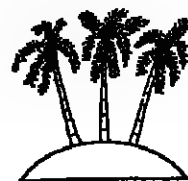
Mr. Johnie M. Ouzis, executive vice-president of Hamilton Brothers, was reported last month as saying that his company, operator of the first British offshore oilfield to come on stream, the Argyll field, would probably not apply for a licence in the sixth round and, after drilling two obligatory wells, might cease exploration in British waters.

The need for Britain, with proven reserves sufficient to meet its oil needs for some years, to maintain the exploration momentum is not as great as that of Ireland.

Ireland may one day be able to afford to take a harder line with the oil companies. It would dearly love to set up its own oil corporation, indicates Mr. O'Malley. But it would probably not be on the lines of the British National Oil Corporation, he adds, rather it would be more akin to British Petroleum—an entirely commercial body with a state majority shareholding and private shareholders as well.

The great day for the Irish, however—the day when a commercial oilfield has been fully established—has not arrived yet. If (some would say when) it does, the impact on this small economy would be dramatic. With one modestly sized field enough to meet home demand, Ireland might quickly become a net exporter of crude.

This happy position would present an outstanding opportunity to raise Irish living standards, still among the lowest in Europe.



REPUBLIC SEYCHELLES

NOVEMBER 11 1978

The Financial Times proposes to publish a Survey on Republic Seychelles on Saturday, November 11 1978.

The articles will discuss the island's general economic situation, and the future of the main industries.

Tourism forms a major part of the economy and this subject will have special attention both from the view point of the tourist and the potential investor.

For further information on the editorial content and the advertising rates please contact:

Nicholas Whitehead
Financial Times, Bracken House
10 Cannon Street, London EC4A 3DF
(Tel: 01-248 8000 Ext. 7112)

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

The war that never ends



We British are a peaceful people. When a war is over we like to consign it to the history books—and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children—for them their war lives on, every day and all day.

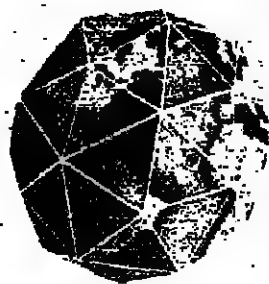
In many cases, of course, there is help from a pension. But there is a limit to what any Government Department can do. This is where Army Benevolence steps in. With understanding. With a sense of urgency... and with practical, financial help. To us it is a privilege to help these brave men—and women, too. Please will you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress
Dept. FT, Duke of York's HQ, London SW3 4SP

GEOBANKING

The Manufacturers Hanover Way of Worldwide Banking



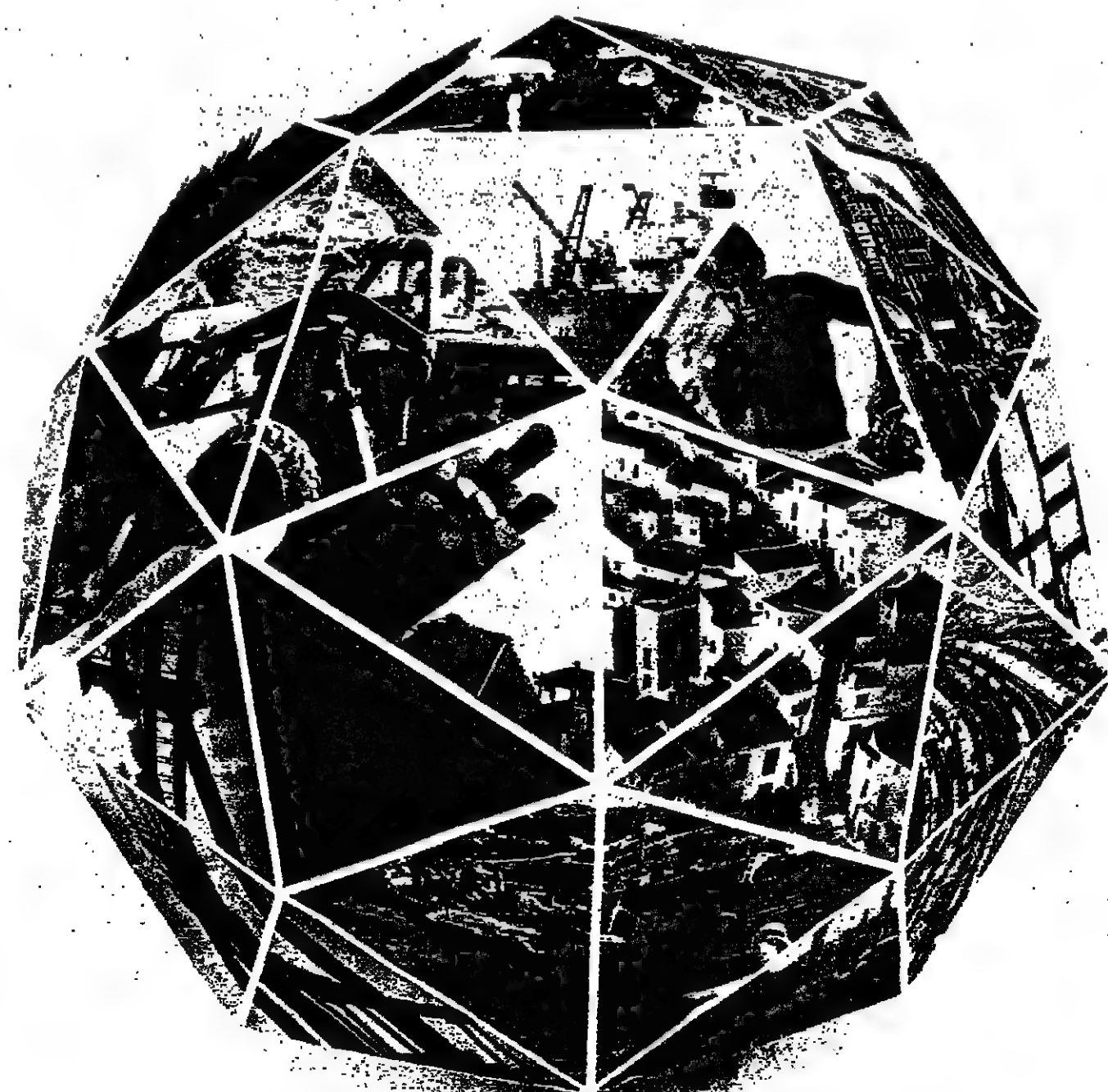
Geobanking.
A massive copper mine in Mexico.
A nuclear plant for the world's largest power company.
A shipment of grain for Eastern Europe.

Geobanking.
It is money moving and working around the world.
It is the Manufacturers Hanover way of worldwide banking.
Unlike most major international banks, Manufacturers Hanover does not enter a region or a country with a rigid operational philosophy. Instead, it adopts a way of banking that works best for a particular place at a particular time.

Geobanking.
In some countries, it dictates the opening of full-service banking offices, such as the Manufacturers Hanover branch in Frankfurt.
In others, it calls for the setting up of a specialized subsidiary, such as Manufacturers Hanover Asia, Ltd., the Hong Kong merchant bank.
And elsewhere, it may mean reliance on representative offices working with indigenous banking systems to form one of the most extensive correspondent networks of any U.S. bank.

Geobanking.
It is wholly responsive, since it fine-tunes banking to national and regional needs. It is flexible, admitting swift adjustment to changes in prevailing conditions. And Geobanking is synergistic, enabling Manufacturers Hanover to marshal strengths from the worldwide resources of a \$35-billion organization.

MANUFACTURERS HANOVER
The banking source. Worldwide.
Headquarters office: 350 Park Avenue, New York, N.Y. 10022



Stockbrokers and the institutions: analysing the analysts

IN THE space of a few years, Continental Illinois' annual ranking of stockbrokers has become established as the event of the year among the small clan of City investment analysts. Upon the tables depends largely not only the reputation of each firm but also the individual earning power of the analysts themselves.

The most striking feature of the overall ranking of stockbrokers is that of the eight leading brokers in this year's list (three tied for sixth place) all have finished in the top group at least twice in the past three years. But it would be a mistake to conclude from this that the business is anything less than intensely competitive.

It is ironic that a survey of an industry which prides itself on statistical sophistication should be crudely based on the subjective assessment by fund managers of the usefulness of analysts. That the analysts are useful is uncontested: fund managers agree that the service provided by the best analysts has improved enormously over the past few years. There is no temptation to run indexed funds weighted, as in the U.S., according to a set formula between market sectors in absolute disregard of analysis. The individual rankings by sector suggest that there is now a relatively small and settled pool of experienced researchers; brokers maintain that it is much more difficult to make a reputation now than it was a few years ago.

Obvious benefits

The benefits for the more successful research brokers are obvious. Fund managers do appear to try to reward work that impresses them by giving business to the firm concerned, although dealing skills remain a vital criterion for the institutions. It is difficult to calculate the cost-effectiveness of an analyst's work—but even more difficult to find a major firm of brokers that would consider cutting back on its research department.

This being said, the styles vary considerably. This year's winners, James Capel, and Hoare, Govett, both sum up the foreboding in

brokers' circulars self-fulfilling is another question. This increased market volatility over the short term has little relevance to the strategic, long-term portfolio planning that the institutions require. No one is wise enough to forecast a decade ahead, and the brokers have somehow to reconcile short views and long judgments. Some brokers say they detect some movement away from the assessment of a particular sector will pervade the market over the medium term back to the analysis of the chances of particular companies within the sectors, which on a longer view becomes a question of picking out the survivors. Not surprisingly, increased weight is now given to studies of corporate cash-flow and financing. On the gilt side, political economists have been taking over from econometricians.

What trends are developing at present are harder to discern. The institutions, which waste no time in telling brokers exactly what they want, have shown little interest yet in the calculations of return to risk ratios that U.S. analysts consider indispensable. Chart analysis, meanwhile, is treated with caution. Some fund managers confess shyly to "keeping an eye on the charts—no more than that," one expressed anguish that "more and more brokers are wasting our commissions by hiring expensive chartists to write garbage at us." James Capel employs a full-time currency analyst and, like more and more brokers, a staff to study overseas markets as well as encouraging their individual industry analysts to look at EEC as well as British firms. Utilization of output capacity by manufacturers is a relatively neglected area that may come in for more study.

Legislation on insider dealing might have some effect on the presentation of brokers' reports about particular companies: some brokers fear that it might make contact between analysts and companies almost impossible, leaving them to rely entirely on published information and outside sources. Others argue that the large companies

Confusion

A more serious threat might be posed by any move toward negotiated commissions. There is general agreement that the U.S. experience with "reverse small firms going to the wall" must be avoided, but some confusion as to how this might be achieved. Brokers generally feel they could not afford to back their research departments unless negotiated rates, which they be introduced, led to such a level that drug economies would be inevitable and even then, might not prove research facilities simply provide an excuse for the customer to offer even lower commissions? Some fund managers say they would be prepared to pay for research in return for lower dealing costs; negotiated or not, some deplore the expense of dealing while being uneasily suspicious that a point from commission might result in a sharp deterioration of research. There is some feeling that lower commission rates could be useful if they reduced the over-optimism among brokers' analysts, but no by too much, of course. Some brokers simply prefer not to talk about it.

The most successful research firms are unanimous that, even if their market shares are far to hold in a strong bull market when speculative business tend to be very widely spread, the feeling among their institutional clients that, as one put it, "We've really done our best — we've been thorough," protects them and gets them business in difficult times. Among the attributes that a good analyst must have in being able to present and interpret information, perhaps the most priceless is a nose for bad news. Most brokers are rather reticent when asked whether the increased depth of their work has improved the reliability of their forecasts; the opinion of their customers expresses the best of them, at least, do serve to be rated a strong hold.

CONSOLIDATED STATEMENT OF CONDITION AS AT 30th JUNE 1978

(IN MILLION ESCUDOS)

* Including Portugal, Mozambique and France

ASSETS		LIABILITIES	
Cash and Due from Banks	8 574	Deposits	82 025
Correspondents Abroad	2 537	Sundry Creditors	20 176
Bills Discounted and			
Loans (a)	73 177	Capital and Reserves	2 373
Securities	3 815	Provisions	1 821
Other Assets	6 008	Other Liabilities	7 718
Contra Accounts (b)	78 094	Contra Accounts (b)	78 094
	172 205		172 205

(a) — 15 700 million escudos of rediscout included
(b) — 15 700 million escudos of rediscout not included

CONDENSED BALANCE SHEET AS AT 31st DECEMBER 1977

(IN MILLION ESCUDOS)

ASSETS	PORTUGAL		CONSOLIDATED*	
	1976	1977	1976	1977
Cash and Due from Banks	4 497	6 435	6 325	6 923
Correspondents Abroad	1 141	1 126	1 291	2 304
Bills Discounted and Loans	30 089	46 242	42 089	63 053
Securities	2 931	3 854	3 915	3 687
Other Assets	1 767	2 068	3 608	4 655
Contra Accounts	49 557	78 496	59 714	80 535
	94 253	139 127	116 222	150 986
LIABILITIES				
	1976	1977	1976	1977
Deposits	86 244	49 781	47 274	83 711
Sundry Creditors	2 730	3 475	1 699	5 028
Capital and Reserves	2 135	2 348	2 325	2 348
Provisions	858	1 732	1 074	1 821
Net Profit	70	91	23	90
Other Liabilities	2 229	8 100	4 145	6 467
Contra Accounts	48 867	78 496	59 714	80 535
	141 253	139 127	116 222	150 986

BANCO PINTO & SOTTO MAYOR

Head Office-Rua Aurea, 28-Lisbon-Portugal
International Department-Av. Fontes Pereira de Melo, 7/13-Lisbon-Portugal
PARIS-DUSSELDORF-MONTREAL-TORONTO



The way we cherish skills is the way we fly.

The art of the calligrapher has always made him a highly esteemed figure in Japan.

Today the young still gather at his feet. Such a willingness to learn continues to colour all aspects of Japanese life.

And nowhere more so than in Japan Air Lines and our training facilities. The six-month training of our hostesses, considerably longer than any other airline, is just one example.

But one that helps explain why the service they provide already persuades more Europeans to fly JAL to Japan than any other airline.



JAL JAPAN AIR LINES

We never forget how important you are.

Extracts from the review by the President, Mr. W. D. Wilson

Profits for the year ended 30th June 1978 were considerably higher than in 1977 predominantly because of higher dividend income received from Engelhard Minerals & Chemicals Corporation (EMC) and Trend International Limited (Trend) in which the corporation has interests of 29 per cent and 43 per cent respectively. No dividends were received, however, from the corporation's copper investments, namely Zambia Copper Investments Limited (ZCI), in which Minorco holds 49 per cent of the equity, and Inspiration Consolidated Copper Company (ICC), in which a 15 per cent interest was held at the financial year end. As a result of the offer made in June of this year by a company jointly owned by Minorco and Hudson Bay Mining and Smelting Co. Limited (Hudbay) of Canada to acquire all the capital of ICC not already owned by the two groups, the corporation's share was increased to approximately 36.5 per cent, equal to that of Hudbay. While, at present, copper prices, the company is in a loss-making situation, your board is confident that these price levels cannot persist indefinitely, and that once more economic prices are attained, the investment in ICC will prove to be profitable.

Profits

The profit before taxation and extraordinary items for the year ended 30th June 1978 was US\$16.32 million, some US\$2.51 million or 18 per cent higher than in the previous year. Dividends from investments amounted to US\$15.12 million, compared with US\$13.94 million in the previous year, while interest and sundry income rose by US\$0.41 million to US\$2.42 million. Zamangio Industrial Corporation Limited's (Zamco) operations contributed US\$1.34 million, and net gains arising from currency fluctuations totalled US\$1.45 million. Administration and other expenses, interest paid, prospecting costs and a small loss on the redemption of certain bonds amounted to US\$4.0 million (1977: US\$3.0 million). After deducting US\$1.18 million (1977: US\$1.09 million) in respect of foreign taxation, the profit for the year before extraordinary items was US\$15.15 million, compared with US\$12.72 million in 1977, an increase of some 19 per cent. Dividends amounted to US\$8.83 million or 12 cents a share. The deficit on extraordinary items of US\$1.38 million resulted in the main from the loss on certain assets as a result of the devaluation of the Rhodesian dollar and Zambian kwacha, and a write-down of an investment held by Zamco.

Engelhard Minerals & Chemicals Corporation (EMC)

EMC's net earnings of US\$122.6 million in 1977 were some 2 per cent below the record of US\$124.9 million achieved in 1976. As in each year since 1969, the international marketing activities of the Philip Brothers division were responsible for most of the company's earnings. Despite the relatively depressed state of many of the industrialised economies, this division operated at high levels throughout the year. The strength of the Philip Brothers division rests upon the broad spectrum of commodities in which it deals, ranging from individual minerals and metals to fuels and fertilisers. The Engelhard Industries division achieved record earnings during 1977, mainly because of improved performance by the auto catalyst exhaust department, the United Kingdom-based operation and the domestic chemicals and catalyst group. The Minerals and Chemicals division also earned record profits during 1977, with the kaphin and cracking catalysts departments being the principal contributors. Dividends per share paid by EMC during the year were US\$1.20, compared with US\$1.05 per share in 1976.

EMC's net earnings for the six-month period to 30th June 1978, compared with the corresponding period in 1977, fell by US\$7.68 million to US\$55.31 million, the decline being due to the main to depressed trading conditions experienced by the Philip Brothers division in world metal markets.

Inspiration Consolidated Copper Company (ICC)

Members will be aware that on 6th June 1978 the corporation and Hudbay announced that they intended to make a tender offer, at US\$33 a share, for all of the shares of ICC not already owned by them. At that date, Hudbay and the corporation owned 23.42 per cent and 15.62 per cent of ICC, respectively. As a result of the tender offer the corporation and Hudbay, through an equally-owned US company, have increased their ownership of ICC to approximately 73 per cent. Total acquisition costs to the corporation and to Hudbay, excluding legal and investment banking expenses, were approximately US\$23.6 million and US\$14.4 million, respectively.

Trend International Limited (Trend)

Trend's 1977 net earnings of US\$11.65 million compare favourably with a net loss of US\$5.91 million (before extraordinary items) in 1976 and exceeded those of US\$10.29 million in 1975 by 13.2 per cent. Extraordinary items in 1976 consisted of a write-off of US\$65.07 million upon the revaluation of recoverable Indonesian oil reserves and as a result of an amendment to the terms of the production sharing contract with the Indonesian government, non-tendered in my review last year. In addition, Trend was required to make special payments of US\$3.14 million and US\$8.62 million to the Indonesian government with respect to 1977 and 1978 production, respectively.

Total crude oil production by the Indonesian joint venture in 1977 was 28.5 million barrels, an average of 78,000 barrels a day, compared with a total of 27.7 million barrels, or an average of 75,000 barrels a day in 1976. Trend's share of 1977 sales amounted to 2.8 million barrels as compared with 2.6 million barrels in the previous year.

During the financial year under review the corporation received dividends from Trend totalling US\$2.59 million.

Zambia Copper Investments Limited (ZCI)

ZCI earned a net profit before extraordinary items of US\$0.74 million for the year ended 30th June 1978. No dividends were received from either NCCM or ICC in which ZCI holds 49 per cent and 12.25 per cent of the equity respectively. A deficit on extraordinary items of US\$21.53 million was recorded, of which US\$19.87 million related to the provision against the investments in BRST and BCL, and the loans to BRST. This provision, combined with the provision of US\$20.00 million recorded in the previous financial year, means that, with the exception of the senior unsecured loan to BCL of US\$0.7 million, full provision has been made in respect of ZCI's total investments in BRST and BCL to date. The balance of the deficit on extraordinary items related to the loss arising from devaluations of the Zambian kwacha and Rhodesian dollar, and the write-down of certain Zambian assets. The deficit on extraordinary items was covered by a transfer of US\$20.17 million from share premium account leaving an unappropriated profit carried forward at 30th June 1978 of US\$0.5 million. No dividends were declared during the year.

Zambian industry and agriculture

The corporation's interests in the industrial and agricultural sectors of the Zambian economy are held through Zamangio Industries Corporation Limited (Zamco). Notwithstanding the depressed state of the economy, several companies in which Zamco has an interest were able to record improved results compared with the previous year and to declare higher dividends. Zamco has declared an unchanged dividend of K500,000 net of withholding tax, but as the 1976/77 dividend of the same amount has not yet been externalised because of Zambia's very tight foreign exchange position, it is not possible to estimate when the latest dividend is likely to be remitted.

Australia and Brazil

The corporation has for some years participated in the exploration programmes of Australian Anglo American Limited (AAA). AAA is conducting an active programme of exploration in Australia, and is engaged as well in a joint venture with Amstar Inc., Conzinc Rio Tinto of Australia Limited and Freusaz A.G. to evaluate the Namoi copper deposit in Fiji. A preliminary evaluation is expected to be completed late in 1979.

The corporation continues to participate in investments in Brazil through Anglo American Corporation do Brasil Limitada (Ambras). Ambras' investment in the Morro Velho gold mines has shown increased profitability and current higher gold prices have permitted the declaration of a substantially increased interim dividend of US\$1.5 million per share. Ambras is also currently evaluating the gold project at Jacobina where indicated reserves aggregating between six and 10 million tonnes at an average grade of about 9 g/t have been located. Ambras has agreed to participate in the extension of 35 per cent in a 5,000 tonne a year ferro-nickel project at Niquelandia, subject to the satisfactory completion of the financing for this project, which is currently being arranged. Other opportunities for investment are currently under review.

Total prospecting expenditure for the year in these and other areas, which has been charged against revenue amounted to US\$2.44 million.

Future prospects

Despite the difficulties facing the copper companies in which the corporation is invested, your board remains confident that these investments will yield adequate returns in years to come. While there would appear to be little short-term prospect of a material increase in the copper price, the longer the present depressed price levels persist, the greater will be the number of existing producers who will be obliged, as a result of financial difficulty, to curtail operations. This factor, together with the delay in the development of new mines, must, in the longer term, result in a material and sustained increase in the copper price.

In the interim, it is fortunate that the corporation as a result of the policy of diversification followed by the board in recent years, has a substantial and stable level of income derived from non-copper investments.

Copies of this review and the report and accounts are obtainable from the London office of the company at 40 Holborn Viaduct, EC1P 3AF, or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

FARMING AND RAW MATERIALS

Danes seek action over industrial fishing ban

BY CHRISTOPHER PARKES

DENMARK HAS thrown its weight behind the Common Market Commission's campaign over fisheries policy which is leading to a showdown in the European Court of Justice.

After a Cabinet meeting in Copenhagen yesterday the Government said it would press the Commission to start a special court action against Britain's unilateral ban on industrial fishing for fishmeal in a large area of the North Sea.

Government sources were quoted by agencies as saying that if the Commission failed to take action it was logical for the Danish Government to go to law itself.

A senior EEC official claimed in Brussels yesterday that Britain was to be taken to court by the Commission over its controls in other sea areas.

Mr. Svend Jakobsen, Danish Fisheries Minister, said that the request for legal action was specifically aimed at British controls in the so-called point box - a large area of the North Sea off the eastern coast of Scotland.

Officials at the Ministry of Agriculture in London said there could be no question of immediate action, since the British Government still had to respond to the Commission's own complaint about the controls.

Last weekend Mr. Finn Gundlach, the EEC Agriculture Commissioner, asked Britain to delay implementation of its most recent conservation measures and let him see the scientific evidence on which the controls were based.

The new restrictions, which include the extension of the point box two degrees to the east, are already in force.

Britain bases the enlargement of the area on statistics provided by the International Council for the Exploitation of the Sea. If the ban on industrial fishing inside the box-in force from October until March next year—were applied all the year round, it could lead to a 25 per cent increase in the number of whiting in the area.

The Danes say that the ban will cut off from a potential catch of 200,000 tonnes of Norway pout for processing and lose them almost £400,000.

The British, however, value the potential increase in stocks of fish for human consumption at three times the Danes' losses.

They also claim that the ban on Norway pout shoals in the area around the box. Danish trawlers have been warned by their leaders not to risk being caught inside the proscribed zone. British naval protection vessels and surveillance aircraft are keeping a constant watch.

Penalties for illegal fishing range up to fines of £50,000 and confiscation of tackle and catches.

Mr. Kent Kirk, leader of the fishing fleet in Esbjerg, on Denmark's west coast, told Reuters that if the Commission failed to stop Britain's unilateral actions he would press the Danish Government to consider abandoning all co-operation with the EEC over fisheries policy.

He said that continued British domination of key parts of EEC waters undermined all possibility of a compromise on Community fisheries policy.

● The Ministry of Agriculture announced last night: "In view of the quantities of mackerel which have been landed in the UK in recent weeks, it has been decided that the permitted daily catch of mackerel which may be landed or transhipped by British fishing vessels will be reduced from 5 tonnes to 31 tonnes per crew member per day at sea."

The change is to take effect on October 9, 1978. Arrangements for the South West fishery are still under consideration.

Sharp fall in cocoa market

By Our Commodities Staff

COCOA PRICES fell sharply in late trading on the London futures market yesterday afternoon.

The March position, after having traded up to £1,995 a tonne, fell to £1,945 before closing at £1,955.5 a tonne, 221 lower than the previous close.

Trade and speculative selling was reported to have been heavy in the afternoon, with the third quarter grindings figure in the U.S. may fall by as much as 10 per cent compared with earlier predictions of a 5 per cent decline.

London merchants Patterson, Simons and Ewart, in a report reviewing prospects for West Africa in 1978-79, forecast a fall of 83,000 tonnes to 785,000 tonnes.

It puts the Ghana main crop at 260,000 tonnes, which is above many other market estimates. Total crops of other producers are put at 257,000 tonnes for Ivory Coast, 170,000 for Nigeria and 97,500 for Cameroon.

The report says that crops in all the main West African producing countries will be early this season and are likely to fall off abruptly at the end of the season.

This suggests that sufficient cocoa will be available to meet the requirements of industry, with something to spare until the second quarter of next year.

FARMLAND NATIONALISATION Wealth becomes a burden

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE NATIONAL Union of Agricultural and Allied Workers has put in a call for the nationalisation of farmland. The reasons given are fairly vague. The real one, the redistribution of wealth—dear to all socialists and a good many others too—is left out of account.

The point is that farmland is very valuable. The owner of 100 acres is by any standard a wealthy man with land selling at anything up to £2,000 an acre in smallish lots at recent auctions. A large Hampshire farm was sold for £1,800 an acre last week.

Established farmers, at least the 50 per cent of them who own their land, look on these rising prices with increasing dread, not with the joy that becoming millionaires might be expected to arouse. This is because the increasing values will eventually make it harder for their heirs to find the capital to inherit, or being given, the farms.

The main difficulty is that the tax could be a real burden on the successors to a landowner. If an heir receives inherited wealth from a proportion of the land can be sold off without hurt. The argument against giving concessions to landowners that other capitalists do not enjoy is that in an egalitarian society, concessions are always resented by those who do not enjoy them. There is, too, the possibility that some landowners would quite cheerfully accept the concessions and then cash in on the full market value of their property.

This could be covered by putting conditions on the concession, such as making it obligatory to hold the land for a term of years before the owner could gain any benefit from a sale at above the original valuation for tax less the concession. This would not be difficult to administer, as all sales and transfers of land are monitored by the District Valuer.

A further development could be to alter the basis of valuation for tax. At present, land sold with vacant possession is the criterion for valuing the farm of a man who dies as a farmer-owner. If it is a tenant, the value of the land is less. There is an alternative which may even gain some support from members of the agricultural workers' union. I have never seen any reason for objecting to nationalisation of land simply on the grounds that it is socialist dogma. What really matters to me is not owning the land—although I do own a portion—but its possession without fear of eviction.

If nationalisation should have to come in Britain, for either fiscal or political reasons, it would be sensible perhaps to enact it on the basis that while the State could in the end own the land, the tenant should own the fixtures.

Lead surges to 17-month peak

BY JOHN EDWARDS, COMMODITIES EDITOR

LEAD PRICES surged upwards again on the London Metal Exchange yesterday reaching the highest levels since May last year. Cash lead rose by £17 to £412 a tonne showing a gain of £43.5 this week alone. Significantly, cash lead has moved to a £5 premium over the three-months quotation which was £415 up at £410.

An underlying influence in the market is a shortage of immediately available supplies, which is expected to worsen until the high prices attract fresh lead into the LME warehouses. A fall in warehouse stocks is expected this week however.

U.S. buying demand overtook Britain's as the opening of the market saw the U.S. market as a shortage of immediately available supplies, which is expected to worsen until the high prices attract fresh lead into the LME warehouses. A fall in warehouse stocks is expected this week however.

U.S. buying demand overtook Britain's as the opening of the market saw the U.S. market as a shortage of immediately available supplies, which is expected to worsen until the high prices attract fresh lead into the LME warehouses. A fall in warehouse stocks is expected this week however.

Malaysian aid for Bangladesh rubber project

BY WONG SULONG

KUALA LUMPUR, Oct. 5. A TEAM of rubber experts from Malaysia left today for Dacca to study how their country could help Bangladesh set up a natural rubber industry.

The team's leader, Mr. Ahmad Faruk, deputy controller of rubber research, said that the Bangladesh Government was anxious to diversify its economy, which is based on jute exports.

The team would be in Bangladesh for a week to find out whether Malaysian high-yield rubber clones could be adapted to the country, and the type of training and research facilities that would be required.

Earlier this year, Malaysia signed a five-year agreement with Vietnam to provide assistance in rehabilitating its war-ravaged rubber plantations. Seven Vietnamese technicians are at present attached to rubber research centres in Malaysia for training.

Seals eat £12m fish a year

BY OUR COMMODITIES STAFF

BRITAIN'S POPULATION of 60,000 grey seals eats as much as 10 per cent of the catchable fish to be found in the national 200-mile zone. The Scottish fish catchers' association, the Scottish Fish Producers' Association, has estimated that the seals eat £12m worth of fish a year.

In a response to pressure groups which want to stop the planned cull of grey seals, officials from the Scottish Office said the population had doubled in the past 10 years and the number around Britain was likely to continue increasing at a similar rate.

There were no natural predators or other factors to stabilise the population, they told representatives from the Greenpeace Federation.

The decision to reduce numbers was taken on the advice of the Seals Advisory Committee and after consultation with official conservation bodies.

And the campaigners were warned not to interfere with the killing since any further disturbance in the breeding colonies could lead to even greater distress by increasing the number of pups abandoned by their mothers.

The Government says it is satisfied that the planned cull will not put the future of the seals at risk, officials added. They made it plain that there was no question of the cull being ordered for commercial reasons or the convenience of the fur trade.

Grey seals were first protected by the law in 1914 when the population was estimated at 800. The Grey Seal Protection Act forbids killing of seals during the breeding season when they are much of their time on land with their young, and the skins of the pups are most valuable.

The current culling programme aims at reducing the grey seal population by half over six years. The main reason for the reduction, the Scottish Office

Sri Lanka to boost rubber production

COLOMBO, Oct.

SRI LANKA hopes to boost rubber production to about 170,000 tonnes by 1983 as part of a long-term plan to develop its rubber industry, a plantation ministry spokesman said.

The plan, to be spread over 15 years, includes a replanting target of 3 per cent of the area under rubber or 15,000 acres a year, he said.

The target is to be gradually stepped up to 5 per cent to catch up with a big replanting backlog over the last few years, he added.

The plan will be implemented with assistance from developed countries and a three-member team from the UK Ministry of Overseas Development is already advising the Government on increasing production and improving process techniques.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS			
COPPER—Market closed on the London Metal Exchange at 2,250.00. The market was steady, with some trading in forward metal, but no significant change in the cash price. The three-months price was 2,250.00, and the six-months price was 2,250.00.			
ZINC—Market closed on the London Metal Exchange at 1,100.00. The market was steady, with some trading in forward metal, but no significant change in the cash price. The three-months price was 1,100.00, and the six-months price was 1,100.00.			
NICKEL—Market closed on the London Metal Exchange at 1,100.00. The market was steady, with some trading in forward metal, but no significant change in the cash price. The three-months price was 1,100.00, and the six-months price was 1,100.00.			
LEAD—Market closed on the London Metal Exchange at 412.00. The market was steady, with some trading in forward metal, but no significant change in the cash price. The three-months price was 412.00, and the six-months price was 412.00.			

COCOA

COCOA			
The market for cocoa futures was active on the London futures market yesterday. The March position, after having traded up to £1,995 a tonne, fell to £1,945 before closing at £1,955.5 a tonne, 221 lower than the previous close.			
Trade and speculative selling was reported to have been heavy in the afternoon, with the third quarter grindings figure in the U.S. may fall by as much as 10 per cent compared with earlier predictions of a 5 per cent decline.			

RUBBER

RUBBER			
STADIUM opened on the London futures market yesterday. The market was steady, with some trading in forward rubber, but no significant change in the cash price. The three-months price was 1,100.00, and the six-months price was 1,100.00.			
The market was steady, with some trading in forward rubber, but no significant change in the cash price. The three-months price was 1,100.00, and the six-months price was 1,100.00.			

PRICE CHANGES

PRICE CHANGES			
The following table shows price changes for various commodities. Prices are in pence per unit, unless otherwise stated.			
Commodity	Oct. 4	Oct. 5	Change
Aluminium	2,250.00	2,250.00	0.00
Copper	2,250.00	2,250.00	0.00
Zinc	1,100.00	1,100.00	0.00
Nickel	1,100.00	1,100.00	0.00
Lead	412.00	412.00	0.00

FOR INVESTMENT

COMPANY NOTICES

JAMES BEATTIE LIMITED
NOTICE IS HEREBY GIVEN that the Transfer Books relating to the 24th Annual General Meeting of the Company will be closed from the 24th to the 28th October 1978.

THE AGRICULTURAL MORTGAGE CORPORATION LIMITED
24th ANNUAL GENERAL MEETING 1978/79
The 24th Annual General Meeting of the Company will be held on Thursday, 26th October 1978, at 2.15 p.m. at the Company's Registered Office, 24, Abchurch Lane, London EC4N 3DF.

EXHIBITIONS

LONDON COIN FAIR, Saturday, 7th Oct. 10.00 to 5.00 p.m. at the Royal Albert Hall, London W.1. Admission 25p.

NEW STRIPTEASE FLOORSHOW, 10.00 to 11.00 p.m. at the Royal Albert Hall, London W.1. Admission 25p.

CLUBS

THE 185, Regent Street, 734 0557, A.C. & Co. of All-in Men's Three Society
The 185, Regent Street, 734 0557, A.C. & Co. of All-in Men's Three Society is a club for men of all ages and professions. It is a friendly and social club with a wide range of facilities and activities.

INDIA'S tea crop lower

By Our Own Correspondent

CALCUTTA, Oct. 5. INDIA'S TEA crop up to the end of August this year was 7m kilos below the same period last year, according to industry sources. They do not think that the 1978 output will match the 1977 figure of 560m kilos.

However, a definite indication of the size of this year's crop will be known when the September figures are released by the Tea Board.

Unlike jute, tea grown in the highland northern districts of West Bengal has not been affected by the latest floods. But a considerable quantity of tea stored in warehouses for the local auctions, as well as for export, has been damaged by last week's rains.

India's tea crop lower

By Our Own Correspondent

CALCUTTA, Oct. 5. INDIA'S TEA crop up to the end of August this year was 7m kilos below the same period last year, according to industry sources. They do not think that the 1978 output will match the 1977 figure of 560m kilos.

However, a definite indication of the size of this year's crop will be known when the September figures are released by the Tea Board.

Unlike jute, tea grown in the highland northern districts of West Bengal has not been affected by the latest floods. But a considerable quantity of tea stored in warehouses for the local auctions, as well as for export, has been damaged by last week's rains.

India's tea crop lower

By Our Own Correspondent

CALCUTTA, Oct. 5. INDIA'S TEA crop up to the end of August this year was 7m kilos below the same period last year, according to industry sources. They do not think that the 1978 output will match the 1977 figure of 560m kilos.

However, a definite indication of the size of this year's crop will be known when the September figures are released by the Tea Board.

Unlike jute, tea grown in the highland northern districts of West Bengal has not been affected by the latest floods. But a considerable quantity of tea stored in warehouses for the local auctions, as well as for export, has been damaged by last week's rains.

Copper - where next?

Although copper is no longer trading at its lows it is a long way from the peak price seen in 1974. What is the likely price movement over the next two years?

Prescot have prepared a comprehensive study on copper which will help you to answer this question.

Prescot Commodities Ltd
6 Bloomsbury Square, London WC1A 2LP
Telephone: 01-242 2142, Telex: 23110.

Copper - where next?

Although copper is no longer trading at its lows it is a long way from the peak price seen in 1974. What is the likely price movement over the next two years?

Prescot have prepared a comprehensive study on copper which will help you to answer this question.

Prescot Commodities Ltd
6 Bloomsbury Square, London WC1A 2LP
Telephone: 01-242 2142, Telex: 23110.

Copper - where next?

Although copper is no longer trading at its lows it is a long way from the peak price seen in 1974. What is the likely price movement over the next two years?

Prescot have prepared a comprehensive study on copper which will help you to answer this question.

Prescot Commodities Ltd
6 Bloomsbury Square, London WC1A 2LP
Telephone: 01-242 2142, Telex: 23110.

Copper - where next?

Although copper is no longer trading at its lows it is a long way from the peak price seen in 1974. What is the likely price movement over the next two years?

Prescot have prepared a comprehensive study on copper which will help you to answer this question.

Prescot Commodities Ltd
6 Bloomsbury Square, London WC1A 2LP
Telephone: 01-242 2142, Telex: 23110.

OFFSHORE AND OVERSEAS FUNDS

[illegible]

†Property Growth	104%
†Vanbrugh Guaranteed	9.75%
†Address shown under Insurance and Property Bond Table.	

NOTE

INDUSTRIALS—Continued									
Stock	Price	Div	Yield	Stock	Price	Div	Yield	Stock	Price
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5

INSURANCE—Continued									
Stock	Price	Div	Yield	Stock	Price	Div	Yield	Stock	Price
London & Lancashire	122.5	1.5	1.2	London & Lancashire	122.5	1.5	1.2	London & Lancashire	122.5
London & Lancashire	122.5	1.5	1.2	London & Lancashire	122.5	1.5	1.2	London & Lancashire	122.5
London & Lancashire	122.5	1.5	1.2	London & Lancashire	122.5	1.5	1.2	London & Lancashire	122.5

PROPERTY—Continued									
Stock	Price	Div	Yield	Stock	Price	Div	Yield	Stock	Price
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5

INV. TRUSTS—Continued									
Stock	Price	Div	Yield	Stock	Price	Div	Yield	Stock	Price
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5

FINANCE, LAND									
Stock	Price	Div	Yield	Stock	Price	Div	Yield	Stock	Price
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5

INDUSTRIALS—Continued									
Stock	Price	Div	Yield	Stock	Price	Div	Yield	Stock	Price
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5

INSURANCE—Continued									
Stock	Price	Div	Yield	Stock	Price	Div	Yield	Stock	Price
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5
British Steel	122.5	1.5	1.2	British Steel	122.5	1.5	1.2	British Steel	122.5



LABOUR TAKES STEP TOWARDS NATIONALISATION

Benn backs BP takeover

BY RICHARD EVANS, LOBBY EDITOR

THE LABOUR PARTY moved a substantial step towards a commitment to full-scale nationalisation of North Sea oil yesterday, with a conference decision that alarmed senior Ministers.

Mr. Anthony Wedgwood Benn, Energy Secretary, drew enthusiastic cheers at Blackpool when he gave his backing and that of the party's National Executive Committee to a resolution calling for public ownership, and to a policy statement demanding that British Petroleum and its subsidiaries should be fully nationalised.

Confident

But the oil industry last night reacted with indignation to any idea of nationalisation—and one U.S. company warned that it could lead to an immediate drying up of investment in the North Sea.

It was stressed by Ministers after the conference debate that Mr. Benn had spoken without Cabinet authority and that the Government's attitude towards both BP and the North Sea oil companies remained unchanged.

There is no Government proposal to extend the State's intervention in offshore exploration and development, or to make changes extending the Government's 51 per cent holding via

the British National Oil Corporation when the first round of oil licences are offered shortly.

Nevertheless, the conference decision means that Left-wing members of the executive, who are in a majority, will fight fiercely both commitments to be included in Labour's manifesto for the next general election.

And the party's Left-wing is likely to be much more confident following the set-backs suffered by the Government at this week's conference.

Any party commitment to further nationalisation is regarded by Mr. Callaghan and most Ministers as a political albatross and yesterday's debate will be seen as an electoral gift to the Conservatives.

Mr. Benn, who looks set to resume his role as leading advocate of Left-wing policies when the manifesto is drafted, said the executive accepted the objective of full public ownership of North Sea oil.

Demands for the complete takeover of BP have clearly gained strength in the party since the publication of the Bingham Report, which disclosed that the company, in which the Government already has a 51 per cent stake, was involved with Shell

in the breaking of Rhodesia sanctions.

An executive statement on Southern Africa accepted by the conference argued that the Bingham revelations, demonstrated the need for more public accountability of multi-national companies.

It calls on the Government "to take all necessary action to compel companies to disclose full information about their operations abroad and to bring BP and its subsidiaries under full public control."

He went on to warn that challenges were being made against Britain's energy policies by the European Community, including a threat of legal action over subsidies paid out to firms to keep orders and jobs in the U.K.

Activity

Kevin Done writes: The oil industry had already become disenchanted with the Government's North Sea policy before the party conference vote to call for nationalisation.

Exploration activity has fallen sharply during the last few months and much of the blame for this has been put on oil companies' uncertainty over the nature of conditions they can expect in future offshore licensing rounds.

The Government has been accused of breaking its word on North Sea tax conditions by proposing to raise the level of Petroleum Revenue Tax.

And oil companies are unhappy at what they see as the growing influence of the British National Oil Corporation in their affairs.

Under the present licensing round which closes next month, companies have been asked to offer BNOG more than a 51 per cent stake in licences and to bid to pay for some of the State corporation's exploration expenses.

Last night companies were unwilling to make any public statements on what they see as a party political matter.

But one senior U.S. oil executive commented: "What the immediate effect will be to dry up any more investment in the North Sea. Why should we spend any more money if we are going to be nationalised?"

"If you are going to be nationalised, you are not going to spend any more than you are obliged to. This is a dreamworld; it is unreal."

The industry recognises that nationalisation is still far from being Government policy. But with Mr. Benn closely associated with the conference vote, it can only add further to the industry's growing unease.

UK faces court action on fisheries policy

BY RICHARD MOONEY

BRUSSELS, Oct. 5.

BRITAIN WILL be taken to the European Court of Justice over its unilateral fisheries protection policy, Mr. Eamonn Gallagher, head of the EEC Commission's Fisheries Directorate, said here today.

"The legal papers are being drawn up now," he added.

In a scathing attack on the British attitude to EEC fisheries negotiations in general and Mr. John Silkin, Fisheries Minister, in particular, Mr. Gallagher said some of the unilateral UK measures were discriminatory against other EEC members, anti-conservationist, unnecessary and provocative.

He singled out the case of the Mourne fishery off the coast of Northern Ireland as the clearest example of anti-conservationist policy. He claimed Britain had kept this area open for fishing in defiance of a Commission call for its closure on conservation grounds.

This was the most likely case for European Court proceedings, Mr. Gallagher said.

On discrimination he cited the case of Man fishery where Britain earlier this year unilaterally cut the total allowable catch to 9,000 tonnes from 12,500 tonnes and allotted itself a quota of 8,100 tonnes. This meant that the UK catch was cut by about 11 per cent and other countries by up to 50 per cent, he claimed.

As an example of unnecessary action Mr. Gallagher quoted Britain's imposition of a 70 mm minimum net mesh size (formerly 50 mm) for scampi fishing in UK waters.

The EEC fisheries chief attributed the severity of UK conservation measures partly to Mr. Silkin's well-known anti-market feelings. "He has a political interest to see that the common fisheries policy does not work," Mr. Gallagher declared.

Mr. Gallagher's view of the situation, evidently does not reflect that of his superior, Mr. Finn Gundelach, EEC Agriculture Commissioner. Mr. Gundelach said yesterday that no decision had been reached to take Britain to the court over fisheries. He said such action would only be taken with extreme reluctance.

Mr. Silkin had been asked by Mr. Gundelach to justify his recent conservation moves and supply scientific evidence to support them.

His response was still being prepared and the evidence, based on statistics provided by the International Council for the Exploitation of the Sea—was being collated.

Danes seek industrial fishing action, Page 33

Weather

MAINLY dry, sunny intervals. London, S.E. and S. England, E. Anglia, Midlands, Channel Islands.

Mainly dry, sunny intervals. Max. 18C (64F). East, N.E., N.W. and Central N. England.

Mainly dry, sunny intervals. Max. 18C (64F). S.W. England, S. Wales.

Mainly dry, sunny intervals. Max. 18C (64F). N. Wales, Lake District, Isle of Man, S.W. Scotland, Ulster.

Cloudy, occasional rain and hill fog. Max. 17C (63F). Edinburgh and Dundee, Aberdeen, Highlands, Moray Firth, Argyll, N.E. and N.W. Scotland.

Bright intervals, some rain. Max. 17C (63F).

Outlook: Becoming colder

BUSINESS CENTRES

City	Temp	City	Temp
Amsterdam	10	Madrid	15
Antwerp	10	Mannheim	15
Bahia	25	Melbourne	14
Bombay	28	Montreal	12
Buenos Aires	18	Nairobi	12
Calcutta	28	Paris	12
Canton	22	Rome	12
Cebu	28	Sao Paulo	12
Colon	28	Seoul	12
Hankow	18	Shanghai	12
Hong Kong	28	Singapore	12
Kobe	18	Taipei	12
London	12	Tokyo	12
Lyons	12	Toronto	12
Manila	28	Winnipeg	12
Medan	28	Zurich	12

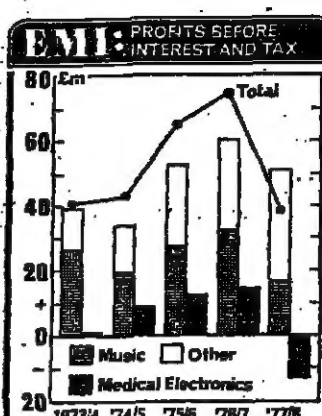
HOLIDAY RESORTS

City	Temp	City	Temp
Algeria	18	Jersey	12
Algiers	18	Las Palmas	12
Bahia	25	Leeds	12
Bombay	28	Liverpool	12
Buenos Aires	18	Manchester	12
Calcutta	28	Nottingham	12
Canton	22	Sheffield	12
Cebu	28	Southampton	12
Colon	28	Stirling	12
Hankow	18	Swansea	12
Hong Kong	28	Torquay	12
Kobe	18	Weymouth	12
London	12	Widnes	12
Lyons	12	Worcester	12

THE LEX COLUMN

EMI sings the blues

Index fell 6.3 to 504.8



The market breathed a sigh of relief yesterday morning when EMI held its final dividend and reported pre-tax profits of £28m, not quite ranking as the horror story which the pessimists had been fearing.

But it was the afternoon's news of a potential scanner royalty settlement with its U.S. competitor Ohio-Nuclear, now being bid for by Johnson and Johnson, which put some bounce into the share price. The closing level was up 11p at 156p, where the yield is 9.3 per cent.

Two main factors lie behind the collapse in EMI's profits from the £64.7m achieved in 1976-77. First, scanner losses turned out to be not the £5m or so guessed by outsiders, but £13.2m—a total deterioration of £7.9m from the previous year.

The reasons for this have been well aired: a savage 60 per cent decline in U.S. sales, and heavy development costs of the new scanner range.

Secondly, a serious squeeze on the worldwide music business has left profits all but halved—with only £3.2m from this division in the second six months.

Heavy startup costs on the French distribution centre and the factory in Holland have exaggerated the underlying decline which relates to the growing domination of the international music business by U.S. artists.

EMI's British talent has largely been driven out by the tax system, and the group's strategy is now to build up its U.S. activities as a base for its international operations. There is some encouragement in this showing—it can boast the current Number One in the U.S. charts Boogie Oogie Oogie.

Outside these two areas the picture is much healthier. The leisure side is well ahead, per share to rise by possibly 15p.

The main profits thrust has come from the dominant footwear division, where sales are ahead 30 per cent. Here a 20 per cent volume gain has increased trading profit by 37 per cent to £17.9m.

And Sears has been a profit bonanza, where sales are even greater if it had not set aside a provision to allow selection of the music side in the current year, in accordance with its understanding with the Price Commission.

The other reason for the elimination of EMI could push around Sears has achieved on pre-tax profits back towards the (slimmed down) engineer-

ing side, as well as eliminating the U.S. Highlander wear losses. Elsewhere, racing weather has helped William Hill profits to the top of £15m. But department stores and retailing have been able to achieve the results of a reorganisation. Lewis's provincial chain yesterday's closing price of 44p the shares traded on a prospective fully taxed p/e of about 11. This slots in at a premium to the market (p/e 9) and a discount to the stores sector (p/e 11), suggesting that the p/e is about right for now.

Discount houses

The discount houses can quite decide whether a fresh fog is about to descend on Lombard Street.

Minimising the Lending Rate was unchanged yesterday and the houses have no justification for an early rise. But the Prime Minister's remarks about "fiscal and monetary measures" have not wakened suspicions that contingency plans may run higher MLR as part of package.

Clive Discount's interim announcement yesterday results for the six months September compare unfavourably with those at the same stage last year is hardly surprising, for the discount market has had a rough time for most of the year so far. The share yield a historical 9.6 per cent slightly above the average of the sector: the interim dividend is held.

The market is prepared for the worst: asset books have been shortened, and the shedding of gilts that began in June as the euphoria over the last official package began to wear off has steadily continued. The 111 per cent yield now available on two-year Government stock is already discounting higher MLR, and the Treasury bill rate may well creep up again at this afternoon's tender.

At the moment, however, Treasury bills give a positive Treasury margin, and so despite all the talk of a supply increase, the Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

The Treasury bill rate may well creep up again at this afternoon's tender.

Probe into Pakistan order for 'N-bomb equipment'

By John Lloyd

THE GOVERNMENT is investigating a £1.25m export order for control equipment which it believes will be used by the Pakistani Government in the manufacture of a nuclear bomb.

The investigation comes at the same time as the disclosure that Mr. Z. A. Bhutto, the former Pakistan Prime Minister now condemned to death by the military government, has claimed that the country was "on the verge of full nuclear capability" during his term of office.

The order for the electrical control equipment was placed earlier this year by the Pakistani Government with Emerson Electrical Industrial Controls, of Swindon. The company says that it understood that the equipment was for use in a textile plant.

Interview

However, officials from the Department of Energy and the Department of Trade investigating the contract now believe that the equipment would be used in the construction of nuclear weaponry. The senior management at Emerson was informed of this view in an interview with officials some weeks ago.

The Government's attention appears first to have been drawn to the contract by a parliamentary question tabled on July 20 by Mr. Frank Allaun, Labour MP for Salford East.

Mr. Allaun asked Mr. Edmund Dell, the Trade Secretary: "If the supply to Pakistan of equipment which will form part of that government's technological capability to manufacture its own nuclear weapons was made with his approval?"

Mr. Dell replied that the order had not been approved, but that it would require his approval only if the equipment fell under the provisions of the Export of Goods (Control) Order, 1970.

Officials are now considering whether the control equipment should be included in the terms of the Order. The range of products covered by the Order—largely defence and nuclear equipment—is reviewed from time to time, and may be amended.

The equipment, on which work has started, is due for delivery next year. The Department of Energy said last night that clarification was expected in a few weeks.

Emerson—which is currently suffering from a work-to-rule by its 200 employees in support of a pay claim—says that the order is "very important" to its business and "could seriously affect its operations" if banned.

No magic

Mr. Alastair Malpas, the personnel director, said yesterday: "If the Government refuses to issue a licence for us, then the equipment can be purchased elsewhere in Europe. There is nothing magic about it."

The Pakistan Embassy refused to comment on the order last night. Neither has there been any official reaction to the report yesterday that Pakistan may be close to nuclear weapon development, though international diplomatic opinion is thought to agree with this assessment.

Mr. Bhutto, in a rebuttal of charges that he rigged last year's general election, claims that Pakistan was seeking the capability to explode a nuclear device with the aid of reprocess-

Hodge chairman and ten directors retire

BY JOHN BRENNAN

SIR JULIAN HODGE, 74, is retiring as chairman of the banking and personal finance group that bears his name.

Sir Julian's departure, and the retirement from the boards of Hodge companies of no less than 10 other directors, including Lady Hodge and Miss Teresa Hodge, comes a matter of weeks after the revelation that the Office of Fair Trading was "minded to refuse" applications from Hodge Group subsidiaries for consumer credit licences.

Details of this move have never been made public. And it remains to be seen what effect, if any, yesterday's management changes will have on the eventual decision of Mr. Gordon Borrie, Director General of Fair Trading, on licences.

Standard Chartered Bank, which bought the Hodge companies for £42m in 1973, said yesterday that the Board changes at Hodge Group had been contemplated at the time of the acquisition and discussed in detail this spring.

The bank would not say whether the moves were related to the Office of Fair Trading's recent rejection of Hodge's two-year-old application for a consumer credit licence.

Standard Chartered is expected to make its written reply to the Office's informal refusal of a licence in the next two weeks.

If Hodge's subsidiaries, Hodge Finance and Julian S. Hodge, were unable to obtain a full "minded to refuse" licence, they would have to stop providing, arranging personal loans through their 100 High Street offices.

Half of profits

The personal finance side, one of the largest in the country, contributed about half of the group's £7.5m pre-tax profits last year. Standard Chartered itself reported profits before tax of £128m in the year.

Mr. Gordon Borrie had "nothing to say" on the Hodge management changes yesterday. The office is unable to comment on individual cases under review.

Mr. R. Lane, former managing director and now vice-chairman of Standard Chartered, becomes temporary chairman of all three Hodge companies. Mr. J. A. Stephenson, a Standard Chartered general manager, becomes deputy chairman of all three.

Lord Barber, Standard Chartered's chairman, said yesterday: "Some months ago Sir Julian told me that he wished to retire this autumn from his various positions in the Hodge Group. I am particularly grateful to Mr. Lane for taking on the chairmanship for the next few months until a successor is appointed."

Both Mr. Pullen and Sir Andrew Crichton informed me some months ago that they wished to retire from the Hodge boards but, knowing Sir Julian intended to retire this autumn, they agreed at my request to remain directors for the time being.

Details of management changes, Page 31

Leyland Vehicles and unions agree productivity rises

BY NICK GARNETT, LABOUR STAFF

A PAY and productivity deal which gives rises of up to 15 or 20 per cent for a large proportion of workers at Leyland Vehicles' Lancashire factories has been negotiated by unions and management.

The deal, which the company says is within the 5 per cent pay guideline, has still to be approved by the Department of Employment and formally ratified by the unions. Leyland Vehicles said last night, however, that mass meetings of workers had agreed the deal.

The package, which applies to the 9,600 workers at the company's truck and bus plants in Leyland and Chorley, has been partly designed to reverse the erosion of skill differentials and prepare the ground for planned expansion of the company's operations in Leyland.

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

Bathgate

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

The scheme is also geared to improving industrial relations generally and a similar type of deal is likely to be offered to workers at Leyland Vehicles' problem-hit Bathgate plant in Scotland.

This would be in line with the drive within BL, the holding group of which Leyland Vehicles is a part, to boost productivity and sort out its labour relations difficulties.

In return for higher productivity payments the company says it has agreed on reducing restrictive practices and demarcation problems, increasing job flexibility. The company said yesterday that it thought this would be a significant step forward in labour relations.

The pay package, worked out by a joint union-management team and to run for 12 months from September, is made up of three parts. There is a 5 per cent across the board increase, together with a self-financing productivity deal worth up to 8 per cent, linked to job flexibility and an improved attendance record.

There is a further productivity bonus, linked to output and built on to an existing bonus scheme which at present is giving average payments of 5 per cent. The bonus bonus scheme could give skilled men 7.5 per cent on top of the existing 5 per cent bonus payments, semi-skilled workers

4.5 per cent and unskilled 2.5 per cent.

The productivity scheme is linked to high production targets and will be carefully monitored.

Targets

Wages for skilled men earning about £76, including bonus, for 40 hours could be raised to a maximum of £91 if highest production targets were met. Current wages, without existing bonus payments, for semi-skilled are £67 and for unskilled £61.

A company spokesman said the highest wage rises allowed under the scheme would only be available if there was a "massive" increase in productivity.

Management at BL Cars is devising a new productivity offer for its in-house workers. The group's shop stewards committee has fixed a claim which would mean minimum increases of 19 per cent on basic pay of conceded.

Negotiations were taking place last night between Leyland's shop stewards and management over the company's pay and productivity offer.

The dollar's trade-weighted depreciation as measured by Morgan Guaranty at noon in New York widened from 9.6 per cent to 9.7 per cent.

Against the D-mark, the dollar closed in London at DM 1.8955, down from the previous day's DM 1.9007, and it fell against the Swiss franc in spite of support from Sfr 1.5825. The gold price rose to another new peak at the close in London of \$224

4.5 per cent and unskilled 2.5 per cent.

The productivity scheme is linked to high production targets and will be carefully monitored.

Targets

Wages for skilled men earning about £76, including bonus, for 40 hours could be raised to a maximum of £91 if highest production targets were met. Current wages, without existing bonus payments, for semi-skilled are £67 and for unskilled £61.

A company spokesman said the highest wage rises allowed under the scheme would only be available if there was a "massive" increase in productivity.

Management at BL Cars is devising a new productivity offer for its in-house workers. The group's shop stewards committee has fixed a claim which would mean minimum increases of 19 per cent on basic pay of conceded.

Negotiations were taking place last night between Leyland's shop stewards and management over the company's pay and productivity offer.

The dollar's trade-weighted depreciation as measured by Morgan Guaranty at noon in New York widened from 9.6 per cent to 9.7 per cent.

Against the D-mark, the dollar closed in London at DM 1.8955, down from the previous day's DM 1.9007, and it fell against the Swiss franc in spite of support from Sfr 1.5825. The gold price rose to another new peak at the close in London of \$224

The dollar's trade-weighted depreciation as measured by Morgan Guaranty at noon in New York widened from 9.6 per cent to 9.7 per cent.

Against the D-mark, the dollar closed in London at DM 1.8955, down from the previous day's DM 1.9007, and it fell against the Swiss franc in spite of support from Sfr 1.5825. The gold price rose to another new peak at the close in London of \$224

The dollar's trade-weighted depreciation as measured by Morgan Guaranty at noon in New York widened from 9.6 per cent to 9.7 per cent.

Against the D-mark, the dollar closed in London at DM 1.8955, down from the previous day's DM 1.9007, and it fell against the Swiss franc in spite of support from Sfr 1.5825. The gold price rose to another new peak at the close in London of \$224

Weather

MAINLY dry, sunny intervals. London, S.E. and S. England, E. Ang